

Botha Speech Backs Concept of Reform

PORT ELIZABETH, South Africa — President Pieter W. Botha said Monday that he was committed to political reform. But he rejected the idea of votes for all.

Mr. Botha also attacked foreign pressure for faster political changes following riots in the nonwhite townships.

His remarks came after advertisements were published by prominent South African business leaders appealing for negotiations on sharing power with blacks.

Mr. Botha said at the Cape Province congress of his ruling National Party that it was outgrowing what he called negative aspects of apartheid, South Africa's system of racial segregation.

His congress speeches over the past two months have been watched closely amid intense domestic and foreign pressure for change to give a direct political voice to the country's voteless black majority.

Mr. Botha criticized foreign pressure for faster reform, but added: "I am the first to concede that the process of adjustment and change is still far from completion."

"The history of the Afrikaner and other language groups is characterized by a struggle against domination and today we are continuing this struggle for freedom by means of steps of reform, freedom for ourselves and for everyone who shares this country with us."

After the first National Party congress in Durban, Natal, last month, the South African currency plunged on world markets and the country's economic crisis deepened when Mr. Botha's speech failed to meet international expectations.

But on Sept. 11 in Bloemfontein, Orange Free State, he announced plans to restore South African citizenship to millions of blacks made foreigners by the creation of nomi-



Pieter W. Botha

nally independent tribal homelands.

At the Pretoria Transvaal Congress, he attacked foreign critics for interfering in South African affairs.

Mr. Botha renewed these attacks Monday. He also defended his security forces against criticism of their actions during rioting in black townships over the past 20 months that has claimed about 725 lives.

"Because we remain committed to peace," he said, "South Africa will not be surrendered to control by fire-raising, stone-throwing mobs."

Mr. Botha outlined a future path beyond traditional, absolute apartheid and black majority rule, repeating his commitment to black tribal homelands and to segregated schools and residential areas.

He said: "It is, however, important that, from time to time in this country of minorities, we meet each other in political structures in order

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4 Russians Abducted In Beirut

Diplomats Seized Near Embassy In 2 Operations

United Press International
BEIRUT — Gunmen kidnapped four Soviet diplomats in two operations in West Beirut on Monday, witnesses and officials said.

The four men were abducted from two Soviet Embassy cars, both of which were found abandoned later within several blocks of the embassy.

Alexander Soldatov, the deputy to the Soviet ambassador, informed the Lebanese Foreign Ministry that four members of the Soviet mission were abducted in two separate incidents near the Russian Embassy, diplomatic sources said.

The Christian Voice of Lebanon radio named three of the Russians and said the fourth was the embassy physician.

The abductors took Arkady Katokov and the embassy doctor from the first car and Oleg Spirin, an attaché, and Valery Kornev, a second secretary, from the second car, the broadcast said. The doctor was not identified.

The kidnappings were believed to be the first involving Soviet officials in Beirut.

The identity of the kidnappers or their motives were not immediately known. Political sources, however, said it was likely that the abduction was linked to Syrian-backed offensive against Muslim fundamentalists in the northern Lebanese port city of Tripoli.

"It is possible," a Lebanese diplomatic source said, "that the kidnappers want the Soviet Union to pressure Syria to stop its assistance to the leftist and Communist militias of north Lebanon."

The fundamentalist Islamic Jihad organization threatened Saturday to attack Syrian and Lebanese leftist militia targets in retaliation.

A witness, who demanded anonymity for security reasons, said he watched the first kidnapping from across the street when the two occupants of the Soviet Embassy car were dragged out at gunpoint.

"It was about 2 P.M. when the kidnapping occurred," the witness said. "I suddenly saw a blue Peugeot car intercept the Soviet Embassy Honda. Four of the five gunmen from the Peugeot got out and surrounded the Soviet Embassy car. One of them went to the driver's side and demanded he open the door."

"When the driver refused, he started pounding the window with the wooden butt of his AK-47. The window shattered and the gunman was able to open the door."

"The men inside the Soviet Embassy car looked foreign. One was tall, well built and the other was a blonde. Both seemed between 30 to 40 years old. They did not put up a fight, although several shots were fired by the gunmen in the air."

A police spokesman said the embassy car, a beige Honda, was found abandoned later a few blocks away.

Details of the abduction of the other two Soviet officials were not immediately available.

Muslim militia sources said they had been contacted by the Soviet Embassy to hunt for the missing diplomats and their security units were following up the matter.

Silence on Meeting
There was no further word Monday regarding a news conference at which kidnapped Westerners in Lebanon were to be presented, Reuters reported from Beirut. Callers saying they represented Islamic Jihad said earlier that a meeting was being organized.



Mexican Earthquake Death Toll Over 5,200

Maria Lopez Sanchez stands outside Mexico City's Benito Juarez Hospital reading a list of earthquake victims in search of her niece. Authorities said the death toll of the Sept. 19-20 quakes had passed 5,200. President Miguel de la Madrid of Mexico named a commission on Monday to oversee the search for any survivors still trapped in the ruins of destroyed or damaged buildings.

Key U.S. Economic Index for August Gives More Evidence of Rebound

Compiled by Our Staff From Dispatches

WASHINGTON — The government's main gauge of future U.S. economic activity rose a solid 0.7 percent in August, giving further evidence that the economy was rebounding from a yearlong slowdown.

The Commerce Department said the advance in its Index of Leading Economic Indicators matched a revised 0.7 increase in July. Both months showed the strongest gains since a 0.8 percent February advance. The July gain had originally been reported as a much weaker 0.4 percent increase.

Economists were heartened not only by the August gain, which was in line with expectations, but also with July's upward revision.

"My own feeling is we are going to avoid a recession this year and in 1986," Lawrence Chimere, the head of Chase Econometrics, said after the report was issued. He added: "It is not a spectacular economic boom, but I think things are picking up a little bit."

Mr. Chimere and many other analysts are more optimistic lately mainly because they believe that the Federal Reserve may lean on interest rates, keeping them stable or lower for a considerable time to help devalue the dollar. The strength of the dollar has severely hurt U.S. industry's ability to compete internationally.

Larry Speakes, the White House spokesman, reacting to the new numbers, said they continue "to show the world what can be accomplished when the government lowers taxes and cuts regulations."

But Mr. Chimere said that the long-run health of the economy requires that federal budget deficits be cut severely, to, among other things, reduce the upward pressure on interest rates.

The Reagan administration had forecasted that the economy would rebound sharply in the second half of the year, rousing itself from a prolonged period in which swelling imports slashed activity in U.S. industry.

To support that view, administration economists point to a variety of statistics that showed strength in August.

The civilian-unemployment rate, virtually unchanged for the previous six months, dropped to 7 percent in August, while consumer spending, housing construction and industrial production all posted solid gains.

However, the gross national product, measure of the total value of a nation's goods and services, was advancing at a modest 2.8 percent annual rate in the July-September quarter, the government has estimated.

"With a substantial improvement over the anemic 1.1 percent rate during the first six months of the year, this pace was far below the 5 percent growth rate being forecast by the administration for the second half."

But some economists expected that the preliminary GNP report, issued before the quarter was ended, would be revised upward in coming months.

Michael Evans, head of Evans Economics, a Washington forecast-

ing firm, predicted GNP growth of 4 percent on an annual basis in the third quarter and an even stronger 5 percent rate in the fourth.

However, other analysts maintained that the current rebound would be more modest because the domestic economy was still being badly hurt by foreign competition.

Nariman Behravesh, economist at Wharton Econometrics, another forecasting firm, predicted annualized growth of 3.1 percent in the third quarter and only a slightly better 3.4 percent rate in the fourth, far below the administration's 5 percent projection.

The August advance was powered by contributions from six of the 11 available indicators.

The biggest contribution came from an increase in the money supply, followed by gains in building permits, the length of the average workweek, the number of new businesses, new orders for consumer

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Reagan to Meet 6 Major Allies Before Summit With Gorbachev

By Bernard Weinraub
New York Times Service

WASHINGTON — President Ronald Reagan plans to meet later this month with the leaders of six major industrialized nations to discuss his summit meeting in November with the Soviet leader, Mikhail S. Gorbachev, the White House announced Monday.

Those invited to the New York meeting were the leaders of Britain, France, West Germany, Canada, Italy and Japan.

Edward P. Djerejian, a White House spokesman, said that the allied talks will focus on arms control as well as East-West economic and political questions. The meeting will take place Oct. 23 and 24 while Mr. Reagan and the other leaders are in New York to attend ceremonies commemorating the 40th anniversary of the United Nations.

"The presence of the Western leaders at the United Nations in October provides a timely opportunity for such a working session," said Mr. Djerejian. The spokesman said that the White House was "awaiting acceptance from all the parties."

At the moment, White House officials said, a working luncheon between Mr. Reagan and the six leaders is scheduled for Oct. 24. But officials said that Mr. Reagan may also hold separate talks with some of them.

The call for a seven-nation meeting of the Western industrialized democracies underlined Mr. Reagan's desire to arrive in Geneva for his meeting with Mr. Gorbachev with a fairly unified Western alliance behind him, administration officials said. The summit meeting between Mr. Reagan and Mr. Gorbachev is to be held Nov. 19 and 20.

Geneva Talks Resume
The Soviet Union presented new arms control proposals on Monday, The Associated Press reported from Geneva.

Viktor P. Karpov, the chief Soviet negotiator, refused to reveal details of the proposals.

Monday's session, which included all six principal U.S. and Soviet negotiators and their aides, was called by the Soviet side. A second such extraordinary session, also called by the Russians, was scheduled for Tuesday.

The negotiating group on space and defense met for one hour and 45 minutes. Details of the session, headed by Yuri A. Kvitensky and Mr. Karpov, were not disclosed in keeping with an agreement reached after the talks on strategic missiles, medium-range nuclear weapons and space and defensive systems began March 12.

U.S. officials have warned against any breakthrough before the summit meeting between Mr. Reagan and Mr. Gorbachev.

They also have encouraged encouraging public expectation that the meeting, the first between Mr. Reagan and a Soviet leader, would produce extraordinary developments in arms control or East-West relations.

Union in Berkeley Puts Ex-Radicals on the Spot

By Henry Weinstein
Los Angeles Times Service

BERKELEY, California — Alice Waters has always thought her politics were progressive. As a student here in the turbulent 1960s, she demonstrated for free speech, struggled to end U.S. involvement in Vietnam and worked as a Montessori teacher.

Then, in the early 1970s, Miss Waters started a little restaurant called Chez Panisse. Within a decade, the restaurant had become famous, and Miss Waters was the doyenne of "California cuisine," an innovative style of cooking that emphasizes fresh local ingredients. Gradually, her work and that of a handful of other chefs transformed Berkeley into a culinary mecca.

Still, Miss Waters believes she has not abandoned her past. She donates food to the poor, and she says that one of her goals as a restaurateur is to provide conditions as pleasant for her workers as she does for her diners.

So it came as a big surprise this spring when labor organizers entered the kitchen at Chez Panisse and thrust a union leaflet into her hand. Miss Waters and other restaurateurs in Berkeley suddenly found themselves the targets of an organizing campaign that accused them of providing substandard wages, benefits and working conditions.

By all accounts, it is a strange labor struggle. Most employees of the restaurants show no sign

of wanting the union. They are a varied lot and include psychologists, sculptors, free-lance writers and students.

So, the union leaders initially thought it might be easier to approach some of the owners, whose liberal leanings were presumed to make them more sympathetic to organized labor than their workers.

In addition to Chez Panisse, the union targeted a dozen restaurants, including the 4th Street Grill, run by Susan Nelson, who was active in the California prison reform movement, and Augusta's, owned by Bonnie Hughes, who once led a successful union organizing effort at the San Francisco Museum of Modern Art.

So far though, the union has been successful only at Augusta's and a small restaurant called the New Orleans Bar and Grill.

Miss Hughes, Augusta's owner, agreed to recognize the union without a struggle even though the restaurant is barely in the black and even though she considers herself a fair employer. "When you have principles, you have them all the time; otherwise they're not principles," Miss Hughes said.

But what once looked to some union organizers like a sure thing has turned into a battle that could last for years.

An organizer for Local 28 of the Hotel Employees and Restaurant Employees International Union, Danny Cassidy, said, "These people are all in favor of

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Captain Criticized Texas Controller Before Fatal Crash

United Press International

WASHINGTON — The captain of a Delta Airlines jet that crashed during a thunderstorm near the Dallas-Fort Worth airport, killing 136 people, criticized the air traffic controller handling the flight for "lack of experience," a transcript of the cockpit recordings showed Monday.

Captain Edward Connors, recorded on the aircraft 18 minutes before the crash, was heard saying of the unidentified air traffic controller: "He's sleeping. Get him out of bed." Moments later the captain said: "Getting kind of hot in the oven with this controller. See, that's what the lack of experience does."

Last week, an air controller at Washington's National Airport was placed on administrative leave after a large passenger jet had to abort its takeoff to avoid a helicopter crossing the runway.



Simone Signoret, at left in her Paris home, starred with Laurence Harvey in 1959 "Room at the Top," one of more than 40 films in which she appeared in a career beginning in 1942.



Simone Signoret, 64, Dies in France; Actress Was Political Activist, Writer

The Associated Press

PARIS — Simone Signoret, 64, the French actress, writer and human rights activist who starred in more than 40 films, died Monday of cancer at her home outside Paris.

Miss Signoret's roles ranged from the golden-haired femme fatale in Jacques Becker's "Casque d'Or" (1951) to the aging prostitute in Moshe Mizrahi's "Madame Rosa," which won the 1977 Academy Award in the United States for best foreign film.

"She fought until the end. She died as she lived, with courage," said her daughter, Catherine Allegret. Miss Allegret said her mother died at her country home in Authenouillet, in the Eure region west of Paris.

Miss Signoret was married to Yves Montand, the singer and actor, for 34 years. They were one of France's most politically active celebrity couples.

Once ardent leftists, the couple gradually shifted toward more moderate politics, denouncing human rights abuses and the rise of racism in France.

Miss Signoret made one of her last public appearances this year at a street demonstration supporting an anti-racist youth movement.

President Francois Mitterrand sent a telegram to Mr. Montand, saying: "It is with sadness that France learns this morning of the death of Simone Signoret. From 'Casque d'Or' to human rights, actress and writer, she spoke for more than 40 years to the hearts of the French people. In the name of all those who loved and respected her, in my personal name, I offer you my sad condolences."

France's culture minister, Jack Lang, said Miss Signoret "incarnated to perfection the stubborn fighter, defending until the end the most hopeless causes."

In the past decade, Miss Signoret shifted to writing.

In 1977, she reached the best-seller list with her memoirs "Nostalgia Isn't What It Used to Be," which explained her political views and recounted her life with Mr. Montand.

Her "Adieu Volodia," published in January, was also a best seller. The 566-page novel about two immigrant Jewish families between the wars is laced with scenes out of her own life and Mr. Montand's.

Critics called Miss Signoret the complete actress, the rare talent who successfully negotiated the difficult transition from the romance and sex of youth to the boredom and anguish of middle-age.

She was catapulted to stardom with "Casque d'Or," in which she played a clever working-class beauty. She won an Oscar in 1960 for her portrayal of a sensual older woman in "Room at the Top," the film that brought her the best ac-

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TOMORROW

A look back at the early days of the United Nations, and the riveting issues that confronted the organization then.

Protesters, Police Clash In Frankfurt, Other Cities

The Associated Press

FRANKFURT — Young leftists protesting a neo-Nazi party meeting and the death of an anti-Nazi demonstrator broke windows, wrecked cars and looted shops in 15 West German cities, the police said Monday.

More than 270 people were arrested in the disorders Sunday night and early Monday, and damage was estimated in the millions of dollars. The most violent disturbances took place in Frankfurt.

The unrest followed the death the previous night of a protester against a National Democratic Party meeting in Frankfurt. He was run over by a police vehicle.

Berlin police said that a similar protest by 200 people against the neo-Nazi party resulted in 20 arrests and caused extensive damage along the city's Kurfürstendamm shopping street.

The West German authorities said that violent protests during the early morning hours in Erlangen, Stuttgart, Göttingen, Cologne, Bielefeld, Münster, Wuppertal, Duisburg, Hannover and Oldenburg.

There also were demonstrations in Hamburg, Munich and Freiburg. Officials said the protests in all 15 cities were set off by the neo-Nazi party meeting and the death of the protester.

In Frankfurt, a police spokesman said that 255 people had been taken into custody.

Most were released, the spokesman said, but two persons were kept in detention under suspicion of setting fire to a car dealership that caused 2 million Deutsche marks (\$747,400) worth of damage. One person was being held on suspicion of looting, the spokesman said.

He said that eight police officers were slightly injured in Sunday's clashes in Frankfurt. He said the demonstrators damaged several police vehicles, including water cannons.

In Wuppertal, Münster and Duisburg, in North Rhine-Westphalia state, demonstrators damaged police cars and broke windows at several police stations.

About 250 stone-throwing protesters in Hannover, shattered windows at six banks and a police station. In Oldenburg, three police stations and two patrol vehicles were damaged.

In Munich, the police arrested two persons who slashed tires on patrol cars in front of a police station.



Policemen in Frankfurt leading a protester away.

U.K. Unionists Meeting Over Kinnock, Scargill

Reuters

BOURNEMOUTH, England — Britain's top union leaders met Monday at the Labor Party conference to decide where they stand on a forthcoming clash between the party leader, Neil Kinnock, and the leader of the coal miners union, Arthur Scargill.

The five-day conference that opened Sunday has been dominated so far by Mr. Kinnock's bid to tame the party's left wing in an attempt to attract moderate voters. The battle will be fought Wednesday when Mr. Scargill is to propose that a future Labor government pay back £1.5 million (\$2.1 million) in fines imposed on miners and their union during the yearlong strike that ended in March.

Mr. Scargill's National Union of Mineworkers needs a two-thirds majority in the debate to turn the proposal into Labor Party policy. He narrowly won a similar vote at the conference of the Trades Union Congress earlier this month. The congress groups nearly 100 unions with 10 million members.

Mr. Kinnock plans to intervene in the debate and warn delegates that a vote for the miners was likely to be seen by the electorate as an unwelcome victory for the left.

The transport union was among those meeting Monday to decide whether they will back the miners' leader again. It alone controls 1,250,000 votes at the conference, where the count after most debates regularly exceeds six million.

The Daily Mirror newspaper, which supports Mr. Kinnock, said in an editorial Monday: "The Labor Party had better make up its mind this week whether it wants to be a party of power or a party of protest. It can't be both." Mr. Scargill is only one of Mr. Kinnock's left-wing targets. He also has attacked Marxist leaders of the Labor council in Liverpool who are locked in a battle with the Conservative government over municipal finance.

Mr. Kinnock said Sunday that he would like to see the Marxists, members of the so-called militant tendency, out of the party.

The leadership won a substantial victory Monday when the conference overwhelmingly rejected moves to set up separate sections within the party for black and Asian members.

Black supporters of the proposal said it was the only way to involve ethnic minorities in the party.

Mr. Kinnock's deputy, Roy Hattersley, argued that Labor favored the creation of a genuinely multicultural society and must remain a party "that does not divide its members according to race."

Shut out of power, the Sikh leaders refused to denounce terrorism by radicals who wanted the northern Indian state to secede. Some even praised the two Sikh security guards accused of murdering Mr. Gandhi's mother, Prime Minister Indira Gandhi, last Oct. 31.

On Wednesday, voters in the state set for these same Sikh leaders to power after a campaign in which they denounced extremism and pledged to work out their problems peacefully. Keeping order now becomes their responsibility as much as the prime minister's.

On Sunday, Sargit Singh Barnala, 59, a moderate Sikh leader and a longtime advocate of more rights for Sikhs in the Punjab, was formally sworn in as the first popularly elected chief minister of the state since 1983. He pledged to turn away from the confrontations of the past and work for solutions "within the overall framework of unity and integrity of India."

The euphoria over the election results has been almost universal. "We did lose the election," Mr. Gandhi said this weekend, referring to his party's defeat by the Sikh party, "but the verdict was a victory for the issues and principles of democracy and nonviolence for which we fought."

In London, even the self-styled would actually welcome an Akali Dal victory so that Sikh leaders would have the onus of combating terrorism.

Even more important, the returns demonstrated continuing resentment toward Mr. Gandhi's governing Congress (I) Party by most Sikhs, in spite of the prime minister's recent conciliatory approach. Sikhs make up about 60 percent of the Punjab population.

The bitterness stems from the detention of thousands of Sikh youths in Punjab, the army raid last year routing extremists from the Sikhs' Golden Temple in Amritsar, and the anti-Sikh rioting after Mrs. Gandhi's assassination.

Historically, Sikhs have had close ties with Hindus since they broke from Hinduism 500 years ago. The Congress Party has also long had appeal among Sikhs, particularly city-dwellers, the poor and lower castes, and Mr. Gandhi's popularity in India seems as high as ever.

But with the returns, Punjab becomes yet another in a long list of Indian states dominated by a regionally based political party. Some analysts fear this could pose problems for Indian unity in the long run.

Moreover, unlike other political parties, the Akali Dal is fundamentally religious in orientation. Its roots are in a 1920s movement in which lay Sikh leaders seized control of Sikh temples from the hierarchy of priests.

The party could thus also have trouble running the state on a strictly secular basis.

This, in fact, may be the least of its problems, because the Akali Dal victory also represents a triumph of longtime party elders at a time when the violence is being carried out by disaffected youths who reject them as their leaders.

Many Sikh youths had already suspected that the Akali Dal leaders "sold out" to Mr. Gandhi in order to gain power for themselves. The Akali Dal victory, with Mr. Gandhi's blessing, is hardly likely to change that view.

"The Akalis will have a difficult time dealing with terrorism," said Dilbir Singh, a Sikh businessman who is close to the party leaders. "If they try to curb them too much, they'll be criticized. And if they don't do anything about terrorism, they'll be criticized."

The task of bringing the radical Sikh youth into the mainstream now falls to Mr. Barnala.

Mr. Barnala is known as a deeply religious and contemplative man whose hobby is painting. Many politicians doubt he has the strength and skill to hold his own fractious party together, let alone soothe the tempers of the disgruntled radicals.

His first tough decision could be over whether to call for a reduction in the 85,000-man paramilitary police force stationed in the state and the release of thousands of Sikhs still in jail.

Politicians say he will have little choice but to push for both these steps even though many Sikh leaders acknowledge privately that the arrests and police presence have helped keep peace in Punjab.

Mr. Gandhi and other politicians clearly hope that with a big victory behind him, Mr. Barnala will feel he has the latitude to be tough on terrorism.

Police Shootings, Riots Raise Disturbing Questions in U.K.

By Jo Thomas

New York Times Service

LONDON — Twice in five weeks the traditionally unarmed British police have shot an innocent member of a family during a raid on a house in search of someone else. Both shootings were described by the police as tragic accidents. Both touched off mob violence.

The shootings, now being investigated by the police, have raised serious questions among Britons about police training, weapons and procedures. The disturbances, which occurred in communities that were scarred by rioting four years ago and where there are many ethnic groups, have raised fundamental questions about what the British can or ought to do to bring peace to neighborhoods that residents describe as tinderboxes of unemployment and despair.

In Birmingham in August, John Shorthouse, a 5-year-old white child, was shot to death in his bed by policemen who broke into his family's apartment to search for his father in connection with an armed robbery. The police said the gun went off accidentally.

Hours later, a crowd wrecked two police cars and sent a constable to the hospital with head injuries. Two weeks later, in the Birmingham neighborhood of Handsworth, two days of riots followed a confrontation between onlookers and policemen.

On Saturday morning in Brixton, Cherry Grove, 38, a black mother of six, was shot and seriously wounded in her bedroom. The police said it was an accident. A

mob tried to burn down the police station, and a major riot ensued. Although those involved in the violence in Birmingham and Brixton were whites, blacks and Asians, the question of race and racism inexorably turned up in the debate over why the riots occurred.

Enoch Powell, Parliament member of the Ulster Union party who

Britain's two million blacks and Asians make up four percent of the total population, but they are concentrated in the cities, where unemployment and disadvantage are the worst. A report issued last month by the Policy Studies Institute concluded that at least a third of British employers discriminate against black job applicants.

Only one in 10 British policemen carries a gun — one in five in Greater London — but concern has been growing in recent years about the way in which the guns are used.

In 1980, Gail Kinchin, 16, died after being hit by police bullets at the end of a siege in Birmingham. She was pregnant and the man holding her hostage had tried to use her as a shield. Three years ago, a Birmingham police bullet fired into a bed narrowly missed a 3-year-old girl.

In 1983, Steven Waldorf, a television film editor who was mistaken for a gunman wanted for wounding a London policeman, was shot by the police and lived. His case raised a political storm and brought with it a tightening of police regulations.

Leon Brittan, who was then home secretary, said he would consider whether more revisions in the firearms guidelines were needed after the Shorthouse child was shot to death in August in what the police called an accident.

In Handsworth, where an arrest was enough to set off serious violence, almost everyone interviewed recently said the root cause of the tension is unemployment.

More than 55 percent of the work force in Handsworth, once a

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represents Down South, said after the Handsworth riots that the presence of blacks and Asians in the inner cities would lead to a Britain "unimaginably racked by dissension and violent disorder, not recognizable as the same nation it has been, or perhaps, a nation at all." He said they should be offered generous terms to leave the country.

Prime Minister Margaret Thatcher, when asked about this suggestion, tersely rejected it. Many community leaders pointed out that the vast majority of the young adults in this group were born in Britain.



Michael Groce, 22, whose mother was accidentally shot by police Saturday, was arrested on firearms charges and his bail was set Monday. He is flanked by his attorney, Paul Boateng, and his grandmother, Mrs. Euphemia Hamilton.

booming industrial community. Police patrolled the streets of the Brixton district on Monday, but calm prevailed following rioting over the weekend. The Associated Press reported from London.

From her hospital bed, Mrs. Groce, whose shooting by a policeman sparked the rioting, appealed for an end to the violence.

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Punjab Voting Raises Hopes for Peace

Victory of Akali Dal Perceived as Setback for Extremists

By Steven R. Weisman

New York Times Service

NEW DELHI — A successful and peaceful election in the troubled state of Punjab last week has raised hopes that India can end three years of violence and turmoil over demands by Sikhs. But the voting also shows that the task remains extremely difficult.

Because of the threat of more assassinations by Sikh terrorists, Prime Minister Rajiv Gandhi took an enormous risk in scheduling the election now.

Only seven months ago the major moderate Sikh leaders were in jail on charges of sedition, feeling bitter and antagonistic toward the government, which has been running the state from New Delhi since 1983.

Shut out of power, the Sikh leaders refused to denounce terrorism by radicals who wanted the northern Indian state to secede. Some even praised the two Sikh security guards accused of murdering Mr. Gandhi's mother, Prime Minister Indira Gandhi, last Oct. 31.

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The task of bringing the radical Sikh youth into the mainstream now falls to Mr. Barnala.

Mr. Barnala is known as a deeply religious and contemplative man whose hobby is painting. Many politicians doubt he has the strength and skill to hold his own fractious party together, let alone soothe the tempers of the disgruntled radicals.

His first tough decision could be over whether to call for a reduction in the 85,000-man paramilitary police force stationed in the state and the release of thousands of Sikhs still in jail.

Politicians say he will have little choice but to push for both these steps even though many Sikh leaders acknowledge privately that the arrests and police presence have helped keep peace in Punjab.

Mr. Gandhi and other politicians clearly hope that with a big victory behind him, Mr. Barnala will feel he has the latitude to be tough on terrorism.

WORLD BRIEFS

5 NATO Allies Approve Copter Study

BRUSSELS (Reuters) — Five West European NATO nations have agreed to proceed with a feasibility study in their effort to produce a joint naval and tactical transport helicopter in the 1990s, an spokesman for the North Atlantic Treaty Organization said Monday.

National armaments directors of France, West Germany, Italy, the Netherlands and Britain signed a memorandum of understanding Friday for a 14-month feasibility and pre-definition study to develop the design of the helicopter, designated the NH-90, for the years 1994-2000.

A NATO statement said that about 700 medium-sized helicopters, weighing eight to nine tons, were expected to be produced in two versions, one to be carried on a NATO frigate currently being developed and the other for army transport.

Iraqis Report Attack on Kharg Island

BAGHDAD (Reuters) — Iraq said Monday that its warplanes had launched another attack on Iran's Kharg Island oil terminal in the Gulf and attacked a large naval target, the term usually applied to oil tankers or large merchant ships.

A military spokesman said that the "destructive" attack, the 17th since mid-August, was made "to keep the vital facility out of service so long as the war continues."

Gulf shipping sources say the repeated attacks on Kharg have seriously hampered Iran's capacity to keep up the oil exports needed to finance its war with Iraq.

Uruguayan Warns of EC Latin Role

MADRID (Reuters) — President Julio Maria Sanguinetti of Uruguay, in an interview published Monday, accused the European Community of being a major destabilizing factor in Latin America.

"The greatest threat to our young democracies is the commercial war industrial powers are waging against us," he said in an interview published in the Spanish newspaper El Pais. "The European Community today has a great destabilizing power over Latin America."

Mr. Sanguinetti, who begins an official visit to Spain on Wednesday, said that he and other Latin American leaders urged Prime Minister Felipe Gonzalez last week in the United Nations to keep the peace in the region in the European Community.

Philippines Reports Malaysian Attack

ZAMBOANGA CITY, Philippines (AP) — Military police reported Monday that four Malaysian gunboats and three helicopters attacked a Muslim community on a tiny southern Philippine island, killing several residents.

The constabulary regional command in Zamboanga City said "53 civilian residents were killed or believed taken hostage by Malaysian soldiers" in the attack Thursday on Madaas Island in the Tawi-tawi area. Officials said they believed the attack was in retaliation for a reported raid on Sept. 23 by suspected Filipino pirates in the Malaysian state of Sabah in which 11 persons were killed.

The report said the gunboats and helicopters bombarded the island, which is 650 miles (about 1,000 kilometers) south of Manila, then sent ashore soldiers who allegedly looted and burned houses.

Spain to Expel Officials of Polisario

MADRID (Reuters) — Spain ordered Polisario Front representatives Monday to leave the country within three days as six fishermen seized by the guerrillas off Western Sahara arrived home.

"The government has taken a very serious view of the attack," Foreign Minister Francisco Fernandez-Ordóñez said on Spanish radio, "and has resolved to expel all members of the Polisario and to close their offices in Spain." The front said it had attacked the vessels by mistake, taking them for Moroccan naval boats, and warned Spain to keep its navy clear of the coast of Western Sahara, where the guerrillas seek an independent state.

Reagan Hints at New Post for Heckler

WASHINGTON (AP) — President Ronald Reagan said Monday he wanted to talk to Margaret M. Heckler, the secretary of health and human services, about something new he might like her to do, but denied he was going to dismiss her. She is the head of the government's largest department.

Mr. Reagan denied reports that his chief of staff, Donald T. Regan, had won presidential approval to remove Mrs. Heckler from the cabinet. But saying he would not dismiss her "does not mean I don't have something else that I would want her to do," he said.

For the Record

At least 30 people in Benin have been killed in floods following two weeks of torrential rains that drove 200,000 people from their homes, the government said.

About 900,000 utility customers in the northeastern United States were still without electricity Monday, and officials said it could take a few more days to restore power after the hurricane designated Gloria. The storm Friday is blamed for at least 16 deaths and \$47 million in damage from North Carolina to Maine.

A bomb exploded in Luxembourg early Monday on top of a swimming pool complex, causing about \$720,000 worth of damage but no injuries, the police said. A police official said it was the most violent of 10 bomb blasts in Luxembourg since May.

UN Health Organization to Prepare Worldwide Strategy to Combat AIDS

New York Times Service

GENEVA — Officials at the World Health Organization said they have won the medical and financial support needed to draft a worldwide strategy for combating acquired immune deficiency syndrome, or AIDS.

Dr. Fakhr A. Asaad, chief of the organization's division of communicable diseases, said the Geneva-based organization was about to prepare a program to coordinate research and information gathering. He said officials hoped to have the outlines of the program set by the end of this year.

The entry of the World Health Organization into the battle against AIDS could provide a crucial element that has been lacking until now: a centralized program for coordinating research now being carried out in Europe and the United States, as well as a central repository for analyzing diverse data and information on the incurable disease.

The outlines of the program emerged at a two-day conference here last week that brought together scientists from the United States, Britain, West Germany, France and Australia who are working with the health organization to develop a strategy to fight the disease.

More than 15,000 people are afflicted with the disease worldwide.

"We are hoping to extend this network of collaborating medical centers, gathering information and its dispersal to our 166 member countries," Dr. Asaad said. "We will look at the problem from a purely epidemiological point of view and provide guidelines that will be up to individual countries to carry out."

Although the scientists concluded that the multiple strains of the AIDS virus made finding a cure a "long-term process," Dr. Asaad asserted that this in itself provided a basis on which his organization

could build a successful program to stifle its further spread.

"We don't have the tools now for treatment, and we cannot say when we might find a cure," he said. "So this is the dilemma that AIDS represents." The disease, which has spread to all continents, was first identified in the United States in 1981. It is caused by a virus that attacks the body's immune system.

The number of cases has doubled in the United States every year since 1983.

Scientists at the Geneva conference stressed that AIDS should not be compared with a plague. They said that since it was difficult to contract the disease through casual contact, health officials should seek to eradicate AIDS through a strategy of limiting its spread.

"This is a disease that a man or a woman has to try to get," Dr. Asaad said. "You have to go after it. You really have to seek the disease, rather than just get it from casual exposure. And that is why we think

with the proper coordination, we can tackle it."

Dr. Asaad said his organization's secretary-general, Dr. Halfdan Mahler, had stressed in an address at the conference the need for a worldwide strategy to combat AIDS. Dr. Mahler indicated that the division of communicable diseases, headed by Dr. Asaad, would have financing and support for such a program.

WHO officials said an element of the program will be development of a simple, easy-to-use test for the disease that can be applied in field conditions.

In addition, officials said the organization would seek to expand the number of collaborating medical centers in industrialized countries, where most of the reported AIDS cases have been, as well as such regions as Asia, central Africa and Latin America, where there have been AIDS cases but where no medical centers are working with WHO to fight it.

On Wednesday, voters in the state set for these same Sikh leaders to power after a campaign in which they denounced extremism and pledged to work out their problems peacefully. Keeping order now becomes their responsibility as much as the prime minister's.

On Sunday, Sargit Singh Barnala, 59, a moderate Sikh leader and a longtime advocate of more rights for Sikhs in the Punjab, was formally sworn in as the first popularly elected chief minister of the state since 1983. He pledged to turn away from the confrontations of the past and work for solutions "within the overall framework of unity and integrity of India."

The euphoria over the election results has been almost universal. "We did lose the election," Mr. Gandhi said this weekend, referring to his party's defeat by the Sikh party, "but the verdict was a victory for the issues and principles of democracy and nonviolence for which we fought."

In London, even the self-styled would actually welcome an Akali Dal victory so that Sikh leaders would have the onus of combating terrorism.

Even more important, the returns demonstrated continuing resentment toward Mr. Gandhi's governing Congress (I) Party by most Sikhs, in spite of the prime minister's recent conciliatory approach. Sikhs make up about 60 percent of the Punjab population.

The bitterness stems from the detention of thousands of Sikh youths in Punjab, the army raid last year routing extremists from the Sikhs' Golden Temple in Amritsar, and the anti-Sikh rioting after Mrs. Gandhi's assassination.

Historically, Sikhs have had close ties with Hindus since they broke from Hinduism 500 years ago. The Congress Party has also long had appeal among Sikhs, particularly city-dwellers, the poor and lower castes, and Mr. Gandhi's popularity in India seems as high as ever.

But with the returns, Punjab becomes yet another in a long list of Indian states dominated by a regionally based political party. Some analysts fear this could pose problems for Indian unity in the long run.

Moreover, unlike other political parties, the Akali Dal is fundamentally religious in orientation. Its roots are in a 1920s movement in which lay Sikh leaders seized control of Sikh temples from the hierarchy of priests.

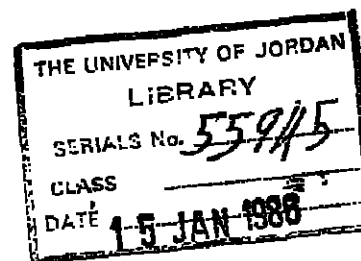
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ARTS / LEISURE

Celebrating the Art of Wine

By John Russell

NEW YORK — "Wine: Celebration and Ceremony" at the Cooper-Hewitt Museum is a large, roomy and convivial affair. How could it be otherwise, when the iconography of wine-making is a rich and ancient subject, hallowed since Greek and Roman times and in existence even earlier? Sculpture and printmaking have made much

of it. So have tapestries, glass, silver, porcelain, photography, the Persian miniature, the poster, the postcard, the bookbinder, the wallpaper designer and the movie still. Our century has seen small masterpieces of commercial presentation such as the illustrated French book called "My Doctor, Wine" on which Raoul Dufy lavished all possible care and affection in the 1930s. Artists of more recent date have designed wine labels, made drawings for illustrated histories of wine, and in general acted as henchmen of a profession that has served us as well in times of travail and stress as in times of euphoria.

All this is spelled out at the Cooper-Hewitt, which draws not only upon its own labyrinthine collections but upon its neighbors, the Metropolitan Museum and the Morgan Library, and upon specialized museums the world over. (Even the corkscrew has its history.) Given the eligibility of almost any work of art in which grapes play a role, we should not be surprised at the range and variety of the show. No exhibition that includes both a photograph by Baron de Meyer of Nijinsky raising some grapes to his mouth in "L'Après-Midi d'un Faune" and a cartoon of "Moët et Chandon coming face to face with the widow Clicquot" can be called monotonous.

Some of the categories choose themselves. It is by right that the bottle, the decanter and the glass are there, together with the cooler, the coaster, the goblet, the cup, the chalice, the amphora, the rhyton, the kylix and the krater. The majestic cognac still and the no less majestic double-screw press — the one lent from Cognac, in France, the other from Epemay — remind us that the making of wine and spirits can be not merely "big business," in financial terms, but a hefty business in terms of technology. Even the monumental winepress illustrated in Diderot's Encyclopédie does not outclass these two stately exhibits.

In every one of these categories the variety of what we see at the Cooper-Hewitt (through Oct. 13) is quite remarkable. It ranges from publicity postcards of distant date to champagne bottles (empty, alas) of a size that few of us will ever get to handle. In the domain of antiquities, of the decorative arts during the northern Renaissance, and of the great age of the undecorated glass and decanter, the aesthetic standard is often remarkably high. Later developments are not scantied, either, and the Swedish plastic goblet of the 1980s is given equal time with more genteel contrivances.

At the top level, I doubt that we shall see many things finer in their kind than the silver cup and cover

of 1742 by Paul de Lamerie, the Victorian centerpiece in silver and glass by John Samuel Hunt (1848), or the noble British baluster goblet that dates from the early 18th century. As for the gigantic silver wine cistern that was made in England in the 1790s, an unwary sheep could drown in it and not be noticed till morning.

Some of the more spectacular items have no less spectacular associations. There is an engraved glass of 1785 that belonged to Catherine the Great of Russia and bears her monogram. There is a flute — the tall thin glass that goes very well with champagne — that bears the arms of Charles II of England. From a later day there are some ideally unfussy pieces of glass that belong to Hugh Johnson, the historian and cartographer of wine who is a major contributor to the catalog.

One unit of measurement in all such matters is the museum that was opened not so many years ago in the chateau at Mouton, near Bordeaux, which is the headquarters of Mouton-Rothschild. Rothschild taste tends traditionally toward the rich and the rare, and the visitor to Mouton is confronted among much else with a rhinoceros horn mounted in silver gilt, a silver-gilt statuette of an itinerant harvester made in Breslau in 1573, a Sassanian silver cup that is probably at least 1,500 years old, and a Chinese porcelain *bin-marie* of the Kang Hsi period in which wine was poured into the upper compartment and kept warm by relays of hot water in the compartment below.

Nor did the extremes of imagination that ran riot in the city of Antwerp in the mid-16th century go unrecorded in Mouton, with all that meant in the way of exotic materials, shells, ostrich eggs and fantastical mounts. But then it goes without saying that money was not spared in the preparation of the Mouton museum. The Cooper-Hewitt exhibition, though sponsored by Moët et Chandon and Hennessy Cognacs, cannot be quite so lavish, but it has a distinction all its own. And, along the way, it racks up a remarkably large number of rare and covetable objects. In fact it would constitute an excellent concise guide to the decorative arts in many of their aspects even if the word "wine" were nowhere mentioned. As for the minutiae of wine making, it would still be fun to go to Mouton, but visitors need not feel that New York has sold them short.

One thing may, however, strike us. Everything about the making of wine is treated in depth at the Cooper-Hewitt. Almost everything about the consumption of wine is looked into, also. The uses of the chalice are pursued even to the foot of the Cross, where no less an artist than Albrecht Dürer shows the blood from Christ's wounds being collected in vessels of the kind that we see in a nearby showcase. Dürer's contemporary, Hans Burgkmair, likewise presses the analogy between wine and blood.

A fifth-century Coptic tapestry points to the association of the grape with continuity and felicity. The miracle at Cana, where Christ turned water into wine, is portrayed in an early 19th-century Swedish painted wall hanging. Hugh Johnson has lent a colored engraving, dated 1746, in which the standard of weights and measures first promulgated in the reign of Henry VIII is copiously illustrated. In a word, this show tells us just about everything that we could reasonably want to know about the



Nicholas de Larmessin's 1690 engraving of a publican.

making of wine, the serving of wine, and the symbolism of wine.

What we miss, almost entirely, is what happens when people sit down and drink wine. Paintings on that theme might as well not exist, almost. There is an amusing colored engraving dated 1798 by that formidable English satirist, James Gillray, called "The Loyal Toast," it shows us a group of men with glasses raised. But the wine looks like red ink, the toast itself is made fun of, and the least one can say of the men in question is that they would never make the grade as connoisseurs of wine.

One reason is, no doubt, that the Cooper-Hewitt is not a museum of painting. Another is that great paintings — whether about wine or about anything else — are very expensive to insure, even if they could be borrowed. (Manet's "Bar aux Folies-Bergère" and Renoir's "Boating Party at Luncheon" must always be among the great absentees in exhibitions of this kind.)

Furthermore, many paintings of people drinking are hideous. Even those who prize Dutch and Flemish painting very highly indeed can remember some memorably dreary paintings of people who have had too much to drink.

So it is for us to come away from the Cooper-Hewitt and set out the fantasies that will have come to us while there. We may not be able to afford the great Renaissance table ornaments, the English 18th-century silver or the engraved glasses that look their best as the wine is refracted in candlelight. But some Old Master engravings, a decent set of glasses, a decanter that will not bankrupt us and one or two other inspired but economical purchases will serve us as well. In fact we shall sympathize with, but not envy, the Guild Master's family in Basel, in 1559, who appear in a painting from the Kunstmuseum in Basel. They have every kind of stuff on the table, and clearly they are doing themselves well. But better than ourselves? Never!

O'Neill's 'Iceman': A Stirring Restaging

By Frank Rich

NEW YORK — Nothing glows when the lights rise on Harry Hope's waterfront gin-mill and flophouse in José Quintero's new production of "The Iceman Cometh," which comes dimly into view. What comes dimly into view is a moldering, black-and-brown cave, barely discernible in a smudged, gray-green haze. The derelict who populate Eugene O'Neill's play describe this squalid setting as "a morgue" and "a tomb," as "The End of the Line Café" and "The Bottom of the Sea Rathskeller."

As designed by Ben Edwards and lighted by Thomas R. Skelton, Hope's saloon of 1912 looks as ghostly as those bottom-of-the-sea glimpses of the Titanic. But in "The Iceman Cometh" the bodies of the inhabitants are still visible — still terrifyingly alive, twitching in the silt. To see O'Neill's burns sprawled comatose across their sooty dive is to know one of the most harrowing images ever produced by the American theater.

For most plays, that image would be an ending. In "Iceman," it is only a beginning. O'Neill begins with a vision of existence at rock bottom and then, for nearly five hours (three intermissions included), just keeps plunging down, taking us and his characters past despair to utter hopelessness: we cannot go home until we understand that the only truth that exists in life is the truth that kills. The guide for this pitiless journey is a hardware salesman named Hickey — a role that brought Jason Robards fame when he first played it, under Quintero's direction, in the 1956 Circle in the Square revival that helped restore O'Neill's then-tarnished reputation. In the current staging, which originated at Washington's American National Theater, Robards has reunited with Quintero, and both men are in brilliant form. Along with some other outstanding actors, led by the superlative Donald Moffat, they give

us as stirring a production of O'Neill's masterwork as one might hope to see.

The word "masterwork" is not invoked lightly. "The Iceman Cometh," which was written in 1939 and first produced in 1946, is equal to and perhaps more influential than "Long Day's Journey Into Night" and "A Moon for the Misbegotten," the two other towering plays at the end of O'Neill's career.

"Iceman" occupies a secure position on the continuum of 20th-century drama that runs from "The Lower Depths" to "Waiting for Godot," seeing it now, one finds the seeds of contemporary American plays as diverse as "Who's Afraid of Virginia Woolf?" and "Glengarry Glen Ross" within its rat-infested corners.

If O'Neill's theatrical architecture can be ham-fisted and his language repetitious, his tragic vision remains undiminished by time. In "Iceman," we see man's desperate need for sustaining illusions, even as the hollowhows of those illusions, God included, is cruelly exposed. The illusions are referred to as "pipe dreams" in the play's argot. During the 70-odd minutes that precede Hickey's arrival at Harry Hope's, we learn that the bar's alcohol-soaked inmates, a "Who's Who in Dipsonmania" ranging from a defrocked Harvard-educated lawyer to prostitutes who think of themselves as "artists," all cling to some pathetic self-delusion: they are all masters at rationalizing yesterday's defeats and perpetuating tomorrow's false hopes.

When the newly sobered-up Hickey appears, he vows to bring his old cronies peace and salvation from guilt by forcing them to put aside those lies for good — to face the fact that they never will graduate from the social ash heap. "Honesty is the best policy," Hickey proselytizes — not realizing that he, too, continues to cling to a pipe dream and that the destruction of that last illusion will bring no peace except that of the grave.

Like the characters in "Moon" and "Long Day's Journey" who share a bloodline to O'Neill's brother James, Hickey could have been written for Robards. In his three-piece suit and straw boater, with his flashing teeth and whorehouse bohemism, the actor is the consummate salesman — a hard-selling, evangelical drummer whose all-American vulgarity becomes a kind of charisma.

After that go-getting, finger-snapping self-assurance is shaken, Robards seems to be pouring decades of preparation (as indeed he is) into delineating Hickey's collapse. His chuckles (invariably punctuating the word happy) hang ghoulily in the septic air; his eyes recede into deep, coal-black sockets; his feet shuffle under the weight of dread; his bray slurs and slides into an ashen croak. Once Robards reaches his marathon, self-immolating confessional of Act IV, he is the major-domo of the charnel house.

As he sweetly expatiates his unspeakable, guilty secret — his hatred for his murdered wife — his Hickey seems to be repeatedly confronting his own pasty face in the mirror and recoiling in nauseated disgust at the sight.

It's hard to fathom how this performance could have been better in 1956 — or how Robards could ever have a better foil than Moffat, who plays Larry Slade.

Martha Graham and the Fear of Paris

The Associated Press

PARIS — Martha Graham is no newcomer to the Paris dance world, but the 90-year-old grande dame of modern dance still feels an overwhelming sense of terror every time she takes her troupe before new audiences.

"It is a terrifying moment for me when I come to Paris," Graham said in an interview at the start of her company's run this month at the Théâtre Musical de Paris. "But I love it anyway."

"Paris has been for centuries a wonder place for the mind and spirit of man. I feel in a way, though I shouldn't but I'm vain, that I'm competing, and that terrifies me."

Graham's Paris visit launched the Festival d'Automne, the performing arts festival that runs through December. Among her ballets performed: "Song" (1985), inspired by the biblical "Song of Songs"; "Diversion of Angels" (1948); "Errand Into the Night" (1947); "Judith" (1980); and "Acts of Light" (1981).

Religion is an integral part of her creations, Graham explained. "The 'Song of Songs' is to me a song to

life, a glorification of the beautiful, the sensuous, the frightening in life. 'Song' is a series of duets showing how love attacks two different people. It's joy, fear and jealousy," she said. "It is a song of the senses."

Graham is one of the pioneers of modern choreography and contemporary dance movement. She has performed in Paris five times, and has had her own troupe since 1929, using it as a springboard for stark, angular works that convey the deepest human emotions.

She often refers to fear. "Fear is a sensitivity to danger," she said. "I once saw a great ballerina throw herself on the floor after a performance of 'Giselle.' She was weeping because she thought she had betrayed what she knew, herself, the people and God."

Graham said her vision of human movement with its capacity for grace and passion, love and violence, was a reaction against "decadent" ballet as it was taught in the United States in the early 1900s, when she first donned toe shoes.

"I had to give up everything I knew, everything that was beautiful

for me, and find the truth," she said.

If age and arthritis have slowed her once supple body and sprightly step, they have not dulled her memory.

Dressed in a fuchsia tunic over pants, her swollen hands shrouded in black gloves, she recalled her first dancing lesson.

"I remember looking in a microscope when I was 4 years old. My father was a physician and he showed me a slab of water. He asked me what it looked like and I said, 'It's pretty water, but it has wriggles in it.'"

"He said, 'Yes, it's contaminated. We must look for the truth.' And I felt that was one of my first dancing lessons," she said.

Yul Brynner Recovering

United Press International

NEW YORK — The actor Yul Brynner, 70, is recovering from bacterial meningitis, a disease of the brain membrane, his publicist said, and may be released from the hospital soon. He was hospitalized early last month.

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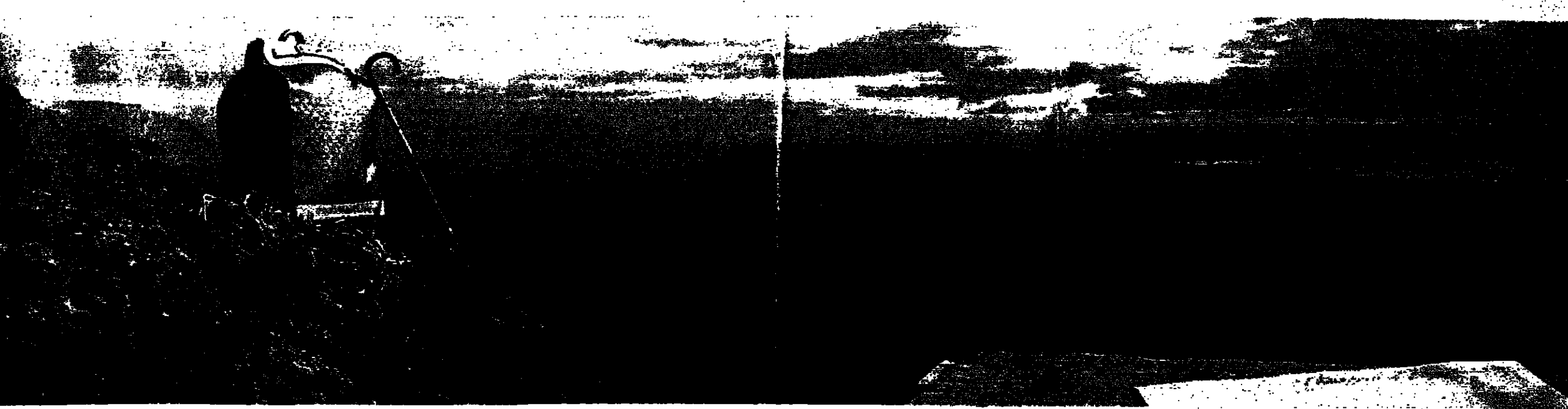
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Lesson Ends U.S. Sales Computers

NEW YORK — The U.S. sales of computers have ended a long period of growth. The sales have been declining for several years, and the decline is expected to continue.

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ARTS / LEISURE

Seasonal Notes From New York: Europe Is Transplanted Into the Heart of Manhattan



Horne at Chanel shindig.

NEW YORK—What between La Dolce Vita and La Belle Vie, the Europeanization of New York keeps snowballing. In the last couple of weeks, and in a flurry of luncheons, cocktails, dinners and

HEBE DORSEY

gala evenings, showrooms were established, fashion boutiques were opened, perfumes were launched and Maxim's, the temple of Paris's naughty Belle Époque, was transplanted into the heart of Manhattan.

The Italians opened the season with "Eco Italia," a store promotion at Bloomingdale's that had everything from pasta to a "Bello Mascherato" and the U.S. Ambassador to Italy and Mrs. Maxwell Rabb on hand from Rome. Donatella Girombelli, president of the Girombelli group, one of Italy's biggest clothing manufacturers,

with worldwide sales of \$75 million, flew in to open her new, steel and marble Geuny's offices on Fifth Avenue.

Girombelli was also celebrating the opening of a new boutique at Bloomingdale's. The finale of her stay was a black-tie and dinner dance at the Hotel Pierre, with a fashion show organized by the art director Nando Miglio, who thought nothing of draping the entire ballroom with white silk.

Sergio Valente, a prominent hairdresser who coifs the collections of Valentino, opened a replica of his Via Condotti salon in Rome, at Bergdorf Goodman's. Mario Valentino, a manufacturer of shoes, bags and ready-to-wear, who has Gianni Versace design his women's leather line while Claude Montana does his men's, opened a new boutique in the Olympic Tower, on Fifth Avenue.

The French were equally strong on the scene. Stéphane Kelian, who designs Montana's shoes, opened in New York, as did Isabel Canovas, who has one of the preniest accessory boutiques in Paris. Robert Barash, the president of Parfums Jacomo Inc., launched his

new perfume, "Rare," at Régine's and S.T. Dupont, famous for their fountain pens and lighters, opened still another boutique on Madison Avenue.

Two Paris fashion houses, Chanel and Cardin, whose owners used to detest each other (Coco Chanel so disliked Pierre Cardin that she would time her fashion shows the same day and at the same time) shared social headlines — and pretty much the same guest list — in New York last week. To launch its latest perfume, "Coco," the house of Chanel held a fashion show of its couture line and a black-tie dinner party after a performance of Puccini's "Tosca," with Luciano Pavarotti and Montserrat Caballé.

This marked the opening of the Metropolitan Opera season, and was the first time the opera had been tied up with a commercial event. But Chanel did raise \$1.2 million for the opera, by underwriting the \$1,000-a-head dinner and donating \$250,000 — a gallant gesture that prompted Beverly Sills to say that commercial sponsoring was becoming "inevitable."

That evening, which had *le Tout*

New York dressed to kill, was a mixture of French and Americans with Emmanuel de Margerie, the French ambassador to the United States, Nancy and Henry Kissinger, Anna Moffo and Robert Sarnoff, and David and Helen Gurley Brown. The American fashion world was represented by Carolina Herrera and Oscar de la Renta. The box of honor was presided by Cécile Zilkha, chairman of the evening, while the front boxes were decorated with such socialites as Nan Kempner, Lynn Wyatt, Pat Buckley, Judy Taubman, Casey Ribicoff, Mildred Hilson and Dréda Melé, the public relations person for Guy Laroche. Leonard and Evelyn Lauder were with their famous mother, who has just brought out a book called: "Estée — A Success Story," published by

Random House. (An unauthorized biography by Lee Israel, "Estée Lauder — Beyond the Magic," is to be published by Macmillan, much to Mrs. Lauder's chagrin.)

Claude Pompidou, the wife of the late French president Georges Pompidou, was in town for a board meeting of the Société Kandinsky, of which she is president, but she soon found herself center stage. Kitty d'Alessio, president of Chanel U.S.A. and Alain Wertheimer, chairman of Chanel, who organized the evening, sat with Lena Horne.

Fashion-wise, it was a sea of sequins and brocades, and the glitter made one forget the dull scene of a few seasons back where all women, it seemed, went around in lugubrious black dresses. The wind is turn-

ing, and Nancy Kissinger, in a lean, pink, exquisitely draped dress by Yves Saint Laurent, pointed the way towards more elegant, restrained evening fashion.

Two days later, the crowd changed costumes and ran to the opening of Maxim's, another festive event which exhausted the limousine supply in New York. The guests, serenaded by romantic violins, were stunned by what is in effect, a bigger and better Maxim's. "It's like a dream," said Mrs. Pompidou. "It's just like home," said the decorator Valerian Rybar.

"Wonderful," said Chantal de Kéroularia, the wife of the French ambassador to the United Nations, who came escorted by Hervé Alphand, the former ambassador to Washington. But Liz Fondaras, a socialite with homes in New York, East Hampton and Paris, was less pleased. "I don't like the idea of Maxim's becoming another Longchamp's," she said. "There should be only one Maxim's in Paris."

The New York version, which took four years to build, had 100 people working nonstop until the very last minute. Working with his licensees all over the world, Cardin

commissioned the bronze sconces and bar railing from India and the foliaged rug from New Zealand. The delay was due to the stiff New York safety regulations. Cardin had to buy fireproof wood in the United States, then ship it to France to be worked into elaborate Art Nouveau paneling.

Manhattan's Maxim's sits on two levels. On the first floor, opening on Madison Avenue, is L'Omnibus, a less expensive restaurant that was decorated by René Gruau, the fashion illustrator of Christian Dior. The main restaurant, on the second floor, is reached by a grandiose double stairway. With naiads, waterlilies and stained-glass windows, it is a replica of Maxim's in Paris, but several times larger.

The \$64,000 question is whether Maxim's will make it. The fashion and society crowd is pretty much monopolized by Le Cirque, La Grenouille, La Côte Basque and Mortimer's at lunch, while the business tycoons are die-hard habitués of The 21 Club and The Four Seasons. "Maxim's, c'en Paris, c'est la France," said Cardin. "I've spent a lot of money and I don't expect to make any."

With List of U.S. Fiction, U.K. Critics Pick a Fight

By Marcus Eliason

The Associated Press

LONDON—British critics have produced their choice of the top 20 American novels published since World War II, raising a few literary eyebrows across the Atlantic.

The list, confined to living writers, was drawn up by a panel of three writers and critics for the Book Marketing Council. It includes a few obvious choices, and ignores some acknowledged masterpieces.

Thomas Pynchon's "Gravity's Rainbow" is there, alongside Ralph Ellison's "Invisible Man." Joseph Heller is included, but for "Something Happened," rather than his tour de force satire on war, "Catch-22."

Apparently eager to exclude the obvious, the panel picked Norman Mailer, not for "The Naked and the Dead," but for "The Deer Park." Philip Roth's "The Ghost Writer" is included, but not the rest of his Zuckerman trilogy, and not even "Portnoy's Complaint."

Mary Gordon's "Men and Angels," which has just been published and has not been widely reviewed, was preferred to her bestseller "Final Payments."

J.D. Salinger, author of "The Catcher in the Rye," doesn't appear at all, while some of those who do are less than household words.

Walter Abish's brilliant satire on postwar West Germany, "How German Is It?" figures on the list, with "The Recognitions" by William Gaddis and "Song of Solomon" by Toni Morrison.

The panelists — Hermione Lee, the critic, and the writers Melvyn Bragg and Malcolm Bradbury — were asked to include little-known works and some black and female writers.

Six women made the list, one of them black. The other black chosen is Ellison.

The weekly Observer newspaper quoted Mary McCarthy, who was excluded from the list, as calling it "a weird list. It sounds as if there have been a lot of compromises. So many are second, third or even fourth choices of a given writer's work."

Gore Vidal, who got in with "Myra Breckenridge," was quoted as saying: "Let us start from the premise that all such lists are ridiculous, but I suppose, as these lists go, it's fine."

The Book Marketing Council represents British publishers in the drive to promote literature, and has already stirred controversy with its lists of the best British books.

It denies that the lists are marketing stunts, saying they are designed to encourage readers to discover books they may not have known about.

In an interview, Lee said, "It's an absurd exercise but I think it's fun, and if it gets more people to read good books, it's worth it."

She said the choices were tough. "It was very difficult to exclude Salinger, Kurt Vonnegut or William Burroughs, and we had a long and sort of difficult conversation about that."

"I think we all felt that the word 'best' has to be taken with a sort of license. We thought we were promoting an interesting and variegated mix of novels," she said.

Some of the books were picked because they are little-known here and deserve a British audience, like "The Recognitions" by William Gaddis and "The Sheltering Sky" by Paul Bowles, she said.

The list, in alphabetical order: Walter Abish: "How German Is It?" Saul Bellow: "Humboldt's Gift" Paul Bowles: "The Sheltering Sky" Ralph Ellison: "Invisible Man" William Gaddis: "The Recognitions"

Mary Gordon: "Men and Angels" Elizabeth Hardwick: "Sleepless Nights" Joseph Heller: "Something Happened"

George V. Higgins: "The Friends of Eddie Coyle" Rachel Ingalls: "Mrs. Caliban" Alison Lurie: "The War Between the Tates"

Norman Mailer: "The Deer Park" Bernard Malamud: "The Assistant"

Toni Morrison: "Song of Solomon" Thomas Pynchon: "Gravity's Rainbow" Philip Roth: "The Ghost Writer" Isaac Bashevis Singer: "The Slave" John Updike: "Rabbit Run"

Gore Vidal: "Myra Breckenridge" Eudora Welty: "Losing Battles"

Metropolitan Museum Files Plans for Annex

New York Times Service

NEW YORK—The Metropolitan Museum of Art has filed plans with the Landmarks Preservation Commission for a new \$35-million structure.

The addition, to house European sculpture and decorative arts, with temporary loan shows, is the final element in the museum's master building plan, outlined in 1970.

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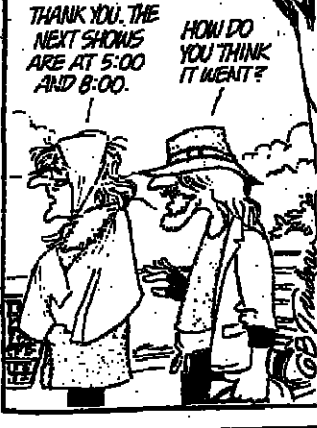
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A Pre-Summit Pattern

Something of a pattern is being established as the Reagan-Gorbachev summit approaches: The Russians mean that the American position is unworkable; many Americans, and Europeans, not in agreement; the Reagan administration frets that the wily Gorbachev is making public relations hay; but then the Russians shuffle forward all the same.

This is the way it was when the Kremlin came back to the negotiating table after having walked out, when it eased off its hard-to-get pose and agreed to a summit, when it dropped its insistence on outlawing self-evidently unworkable research on defensive strategic weapons, and when it went beyond slogans and said it would be offering a new proposal at Geneva to reduce offensive arms.

From this account, we do not draw any hard conclusions. Things are moving, but one reason is that the Russians are retreating from unworkable positions. Their strategy of playing to American public opinion east at some Americans, but it is forcing the Russians to moderate their position in order to appear presentable in foreign eyes. The more the Russians seek to gain propaganda advantage, and to position themselves to put the blame on the Americans if the summit fails, the more moderate they have to become. This is the other side of the propaganda coin.

Still, it troubles the United States to see the Soviets trying to manipulate American opinion.

Hence Secretary of State George Shultz's insistence on Friday that the private talks at Geneva are the proper forum for the exploration of the new Soviet position. They are.

It is the annual visit of the Soviet foreign minister to the United Nations that has prompted this latest surge of public diplomacy. There may not be a comparable surge until the summit in November.

Careless optimism remains unwarranted. If the two sides stopped right now they would be far apart on the big arms control issues, not to speak of the other issues of regional disputes, human rights and ideology that Mr. Reagan also hopes to discuss. Nor does either side appear to have calculated the final price it is willing to pay for an arms agreement. The Russians have made some relatively easy choices. Neither the Russians nor the Americans have yet addressed the hard ones.

The action is current in Washington that Mr. Gorbachev, having consolidated power, can do pretty much what he wants. That is almost certainly not so: He has removed only one man from the place where it counts — the Politburo. It takes a large faith in President Reagan's bargaining talents, moreover, to believe that the Kremlin will reverse course and end up accepting his Strategic Defense Initiative in the form in which he continues to press it. The tough part has not even begun.

—THE WASHINGTON POST.

Can Pretoria Be Trusted?

As a classic French treatise warned in 1716, "Even the most dazzling diplomatic triumphs which have been gained by deception are based upon insecure foundations. They leave the defeated party with a sense of indignation, a desire to be revenged and a resentment that will always be a danger." In South Africa they have yet to learn that lesson.

In what seemed a dazzling triumph, the white regime in Pretoria broke its regional isolation in 1984 by signing a nonaggression pact with the Marxist leaders of its poor, black neighbor Mozambique. As brokered by the United States, the pact was a straightforward bargain: Mozambique would help help to black exiles preparing attacks against South Africa, and South Africa would stop arming insurgents inside Mozambique.

Mozambique kept its word. South Africa did not. Besides encouraging the Mozambique rebellion (first instigated by Ian Smith's Rhodesia), the South African army has bombed and invaded Angola, another Marxist-led state whose territory it had promised to respect.

These aggressions are meant to express defiance of South Africa's foreign critics. Their real effect is to knock the last props from under President Reagan's claim that "constructive engagement" would moderate South Africa's conduct and racism. The main exhibit in the case for the pact was Mozambique and the cease-fire with Angola, through which Washington hoped to promote a still wider agreement for the independence of Namibia.

South Africa admits the Mozambique be-

trayal and no longer blames the rebel actions on "an international web of bankers." But Pretoria says its violations of the agreement are "technical" and that acts like clearing a landing strip constitute "humanitarian" aid. In the captured diary of one rebel, that aid was listed as 26 tons of munitions.

President Samora Machel has astutely turned South Africa's duplicity to his country's advantage. His Marxism recently proved no impediment to a cordial visit to President Reagan, who assured him of America's "disinterest." Expressing gratitude for U.S. aid, Mr. Machel urged Americans to come to Mozambique as "famine fighters" and investors.

This turning represents a real gain for the Reagan administration. Relations with Mozambique had been cool, even hostile, since its chaotic struggle for independence from Portugal a decade ago, during which it turned to Moscow for weapons and diplomatic support. But when drought struck Mozambique in 1984, it became the largest recipient of U.S. food aid. It has now joined the International Monetary Fund and the World Bank and is overcoming a reflexive hostility to the West.

As for South Africa, it ought to reflect on the conclusion of that old French treatise: "The negotiator should recollect that he is likely for the rest of his life to be constantly engaged in diplomatic business, and that it is essential for him to establish a reputation for straight and honest dealing so that thereafter men may be ready to trust his word."

—THE NEW YORK TIMES.

Other Opinion

For a Broad-Ranging Summit

Soviet Foreign Minister Eduard Shevardnadze's visit to the United States seems to leave open the question of whether he is positioning his country for serious negotiations on nuclear arms reduction or only making more points in the Soviet propaganda campaign. It is obvious that there has been no significant movement at Geneva. Nuclear arms reduction is the most important issue that will be discussed [at next month's summit]. However, deepening understanding and coming to terms on as many issues as possible will contribute to that goal, whereas an all-or-nothing approach locked tightly to arms reduction could doom the talks to failure.

—The Japan Times (Tokyo).

Hussein Returns to Try Again

King Hussein is in Washington again. Last time he was there, just four months ago, he impressed President Reagan with his determination to move forward, at long last, toward a negotiated settlement of the Palestinian question and of the future of the West Bank. The king has offered a four-stage scenario. First, a senior U.S. official should meet with a Jordanian-Palestinian delegation, whose Palestinian members would not be overtly identifiable as PLO representatives. The Americans were sufficiently impressed to be willing to envisage

stage one, provided they could be satisfied of the non-PLO credentials of the Palestinians who would attend this first meeting. [Prime Minister Margaret Thatcher's agreement [to] receive a delegation containing two Palestinians is intended to strengthen the king's hand as he goes in to plead with Mr. Reagan to allow at least the first stage of the original scenario to go ahead. If it does not, the fear is that the opportunity presented by the Jordan-PLO rapprochement will soon be lost.

—The Times (London).

How Would Mexico City Cope?

Disasters, natural or man-made, seem to occur with such chilling frequency that the mind develops automatic defenses for coping. We reassure ourselves nervously: It was a once-in-a-lifetime thing; it's so far away; it couldn't happen here. But the devastating scale of earthquake destruction in and around Mexico City is a reminder that the worst can happen anywhere. We cannot cannot take anything for granted, it seems — not even the notion that we live on a stable surface.

As our hearts go out to the victims in Mexico, our heads cannot help but think about the vulnerability of that sprawling metropolis of 18 million (the world's largest city) to other disasters. How would Mexico City cope with an epidemic or a breakdown in social order?

—The Milwaukee Journal.

FROM OUR OCT. 1 PAGES, 75 AND 50 YEARS AGO

1910: Austria Arrests Three Russians
ST. PETERSBURG — Nothing yet suggests any improvement in the relations of Austria and Russia. On the contrary, the fashion in which the Austrian authorities act on the frontier has given rise to recriminations on the part of the St. Petersburg press. For some time past the fact of being a Russian subject sufficed to render suspicious any passenger traversing the frontier. In the last three days three Russians were arrested and thrown into prison on a charge of espionage. They have appealed to the Russian Embassy in Vienna and asked to be set at liberty. The Russian Ministry of Foreign Affairs is taking very energetic measures in this case. It is to be feared that if these acts continue, the Russian Government will be forced to take similar measures vis-à-vis Austrians traversing the frontier.

1935: A Polish Gesture to Ukrainians
WARSAW — For the first time in many years the Prime Minister of Poland received [on Sept. 29 and 30] Ukrainian leaders representing a minority of nearly 6,000,000 and listened to their suggestions for bettering relations between the Poles and Ukrainians. This evidence of Polish-Ukrainian reconciliation, following the recent elections, from which the Ukrainians emerged as the only minority adequately represented in the new Polish Parliament, is considered to have unusual importance owing to efforts being made to bring Poland closer to Germany and Hungary as a counterblast to Soviet-Czech-Romanian moves in the field of mutual assistance pacts. It is significant that the leading German newspaper has expressed satisfaction at the improvement in Poland's relations with her minorities.

Amiable Gorbachev, Invader of the West

By Dominique Moisi

PARIS — The pomp of Versailles; smiles from Mikhail Gorbachev's wife, Raisa Maximovna. In a sense, the medium is to be the message in Mr. Gorbachev's first official visit to the West since he took charge of the Soviet Union in March.

The French are flattered to be the general secretary's "first choice." They hope that the visit which starts tomorrow will redirect attention to a

positive French international role and help to repair the negative image left by the Greenpeace affair. For the Soviet Union, the trip to Paris in the month preceding the Geneva summit has propaganda value. It is meant to convey an image of openness, and the Kremlin's "new look" while adding credibility to Soviet arms reduction proposals.

From Paris Mr. Gorbachev doubtless intends to speak to Western opinion as a whole, and to put the United States on the defensive, by stressing — with the help of the media — an image contrast between Soviet good will and American rigidity.

Mr. Gorbachev's visit is awaited by the French with a mix of satisfaction, curiosity and skepticism that reflects the evolving international, domestic and cultural context within France.

Satisfaction stems from the fact that the Soviet Union has singled out France from the European pack — as if to demonstrate Soviet respect for French firmness on the Euratom issue and approval for France's critical stance toward President Reagan's Strategic Defense Initiative.

Paris is reviving a tradition of regular bilateral meetings that Soviet behavior in the late 1970s and early '80s (in Afghanistan and Poland, in particular) and the French Socialist's need to prove their pro-Western orientation had interrupted. Soviet behavior has not improved either on human rights or in Afghanistan; one could in fact say that it has deteriorated. Still, once the West had won the Euratom battle, resumption of East-West dialogue paved the way for a French return to dialogue.

Mr. Gorbachev's visit is also satisfying from the French point of view because it provides an opportunity to reaffirm the independence and originality of French foreign policy. More prosaically, Paris hopes that the visit will lead to an improved trade balance with the Soviet Union.

Mr. Gorbachev's visit excites curiosity because he heads a new leadership with many new faces — a team that should be around for a long time. There is skepticism as well. No one expects much in terms of concrete results from the visit. It is widely viewed as a mere observation round, albeit an important and useful one.

In terms of French domestic politics, the Gorbachev visit is a chance for consensus building. It satisfies the various political parties — with the exception of the extreme right — and tends to serve President Mitterrand's plans for "cohabitation" after the general election next March.

The domestic climate, too, has evolved. Present attitudes toward the Soviet Union are a mixture of realism, cynicism and resignation. After decades of fascination with the revolutionary essence of the Soviet experiment, the French intelligentsia belatedly discovered the totalitarian nature of the Soviet system 10 years ago, with Alexander Solzhenitsyn's "Gulag" trilogy. Today the trend is toward banalization of Soviet "evil" and an overall cynicism.

The intelligentsia seems to have exhausted its capacity for indignation. The reasons that justified criticism of the Soviet Union are all still

present, but since they are not likely to disappear, indignation is slowly giving way to resignation. Attitudes toward Poland illustrate this mood. The unofficial compromise that has been reached there between an oppressive, self-censoring regime and a restless but self-contained society looks to many in France like a satisfactory and realistic outcome.

Mr. Gorbachev's trip to Paris should not fool the West. Behind the smiles and a newly energetic style, basic Soviet foreign policy objectives have not changed. While it smiles at Western Europe, the Kremlin takes a tougher stance in the Eastern bloc and at home, and mixes seduction with toughness toward the United States. Mr. Gorbachev should be received politely, but exchanges should be firm and without illusions.

The writer, associate director of the Institut Français des Relations Internationales, contributed this column to the International Herald Tribune.



By Antonio in Espresso (Lisbon). C&W Syndicate.

A Simple Question for France to Raise

By Efreim Yankelovich

The writer, son-in-law of Andrei Sakharov, is a former member of the Soviet human rights movement.

NEWTON, Massachusetts — The last time Mikhail Gorbachev went abroad he was not yet the general secretary. Nevertheless the KGB felt obliged to do something to save him from a few potentially embarrassing moments. It certainly did not want to have Margaret Thatcher or some nasty journalist inquiring about the whereabouts of Andrei Sakharov and his wife, Yelena Bonner. On the eve of his arrival in London it released presumably two-month-old pictures of Dr. and Mrs. Sakharov. The pictures, taken by a hidden camera, were released on Dec. 15, 1984, through a West German newspaper, Bild.

Will the KGB let Mr. Gorbachev down now? Do not President François Mitterrand and the French public deserve at least 10 minutes of a videotape featuring the Sakharovs? Four such little tapes have been released to the West in the last 15 months. They have now become the only source of information on the Sakharovs.

What if there is no videotape released by Oct. 27? This would be bound to suggest a gloomy possibility that there is nobody to take pictures of.

If there is a videotape, that will not be a consolation either, since it is becoming increasingly difficult to accept the authenticity of Soviet-supplied tapes. The

last one, released through Bild in late July, showed Dr. Sakharov allegedly leaving a hospital on July 11 and reunited with his wife. However, so far there has been no confirmation of this claim. The last words from Gorbki were Mrs. Bonner's postcard of July 4 in which she strongly indicated that she was alone.

Our only hope is that Mr. Mitterrand will not forget to ask Mr. Gorbachev a simple question: "How are the Sakharovs?" And that he will insist on an answer.

In June 1984 Mr. Mitterrand accepted assurances by the Soviet news agency Tass that the Sakharovs were alive and well, and he went to Moscow despite an outcry in the French press. (The outcry was justified, as we know now.) He shocked Konstantin Chernenko by mentioning Dr. Sakharov's name in the Kremlin dining room. It took courage. But courage alone does not produce results unless there is consistency.

In May 1985 Prime Minister Laurent Fabius launched a new French human rights policy by declaring a freeze on French investments in South Africa. I wonder if similar measures were considered in regard to the Soviet Union. I hope that French human rights policy is not just a search for easy targets.

International Herald Tribune.

East-West Arms Control and Beyond

By Evgeny Chossudovsky

main thrust of the first of the "basic principles of relations between the U.S. and the U.S.S.R." signed by Presidents Brezhnev and Nixon in Moscow on May 29, 1972, would be economic, since this would unequivocally acknowledge the legitimacy of the political, social and economic systems of both states and their right to full-fledged and equal membership of

This is the first of two articles.

the international community. The essence of this principle is that "in the nuclear age there is no alternative to conducting... mutual relations on the basis of peaceful coexistence."

The necessary political impetus should be given to restoring and, if possible, strengthening the "fabric" (to use Ambassador Anatoli Dobrynin's term) of U.S.-Soviet relations in the cultural, humanitarian, scientific, technological, maritime, communications, trade and economic fields.

However, it cannot be overemphasized that no enduring and significant relaxation of tension can be achieved through a resumption of non-military cooperation unless the two leaders also reach a political accord at least

to slow down the nuclear arms race at all levels, as well as to refrain from further structural diversification of weapons systems. This would be in the interest of the domestic economies of both countries.

The three-pronged nuclear arms control talks in Geneva have so far been barren of results. Hence, as the summit approaches, attention on both sides will presumably center on this crucial sector. And it is above all in this sector that an anxious world expects the meeting to reach some measure of tangible progress.

The various moves, proposals and responses in this field are public knowledge. So are the major differences in positions. Limited accords or a rapprochement on specific matters, such as the possibility to seek a prompt conclusion of a comprehensive test ban treaty, would be welcome. But the main problem is how to advance in all three interrelated areas in the face of divergent postures, especially with respect to the Strategic Defense Initiative. Even a partial removal of the obstacles — about which Mr. Gorbachev spoke with remarkable frankness to Time magazine recently — can seem a formidable task.

However, we are dealing with no ordinary diplomatic meeting but with one whose outcome will affect the destiny of mankind. A determined joint effort at accommodation is imperative. No sensible option should be foreclosed. The modern history of international relations does contain examples where clarification of intent coupled with a fresh, imaginative and politically flexible approach to a set of interconnected issues, as well as readiness for mutual concessions, helped to find common ground even in situations of utmost difficulty.

The writer, a Soviet citizen, is a former senior official of the United Nations and now a fellow of the UN Institute for Training and Research. He contributed this column, which reflects solely his own views, to the International Herald Tribune.

LETTERS TO THE EDITOR

Gorbachev: Image Only?

The front page of your Sept. 4 editions featured an analysis entitled "Gorbachev: A New Image for the Kremlin," which concluded that Mikhail Gorbachev "has sold himself well but has yet to deliver on his promises." But since Aug. 6 the Soviet Union has had a unilateral moratorium on the testing of nuclear weapons. I think that should be on the front page every day of the week.

SUE DURR, Munich.

For Good King Dick

Regarding the opinion column "300 Years On, Richard Tricks His Fans" (Sept. 17) by A.L. Rowse:

It is true that Richard III was less popular in the south of England, which regarded all northerners as foreign barbarians, than he was in the north. But in the north his popularity was such that he achieved semi-legendary status. Being remembered as "Good King Dick" for centuries after his brief reign. As for the treatment of the dead king's body, a victorious army of foreign mercenaries — like the proverbial 7-foot-tall gorilla — can do very much as it likes.

SDI Cannot Be Kept Off The Table

By Tom Wicker

NEW YORK — The new Soviet proposal for a 50-percent reduction in the two superpowers' offensive weaponry has made it clear that no serious arms control agreement can be reached unless President Reagan's Strategic Defense Initiative is "on the table" at Geneva.

All of the details have not been disclosed, and probably will not be for some time, but the new Soviet position obviously is considered constructive even by the usually skeptical Reagan administration.

Mr. Reagan himself said that the proposals outlined to him directly by Foreign Minister Eduard Shevardnadze and in a letter from Mikhail Gorbachev could lead to serious bargaining and that "progress can be made" in the arms control talks.

The other side of the coin is that the new Russian approach was coupled with a demand for a cessation of work, apparently involving laboratory research, on the SDI to develop a space-based missile defense.

Mr. Shevardnadze was scarcely out of the White House before Mr. Reagan was telling reporters that "we are determined to go forward" with the SDI. George Shultz, the secretary of state, reiterated that position in a later news conference.

If the Soviet proposal really is as promising as the administration has suggested, Mr. Reagan cannot credibly sustain his insistence on the SDI. He says, for example, that when the detailed Soviet plan is laid out at Geneva, "we hope it will be free from preconditions and other obstacles to progress." But his insistence that he will "go forward" with the SDI is just such a "precondition" and could become the crucial "obstacle to progress" on deep reductions in offensive weapons that he also advocates.

Moscow, before and particularly since Mr. Gorbachev's ascent to power, has clearly established its strong opposition to strategic defenses. The latest evidence is in its willingness — not yet detailed and probably not yet as comprehensive as necessary — to pay the price of drastic reductions in its offensive arsenal.

The reasons for the Russians' adamant stance are numerous. They have good cause to fear that superior technology might give America serious advantages in a defensive arms race. Security considerations as well as the determination to remain an equal superpower with the United States would drive Moscow to match a space-based U.S. defense, but Soviet leaders can have little desire to make the huge investment and undergo the economic adjustments that such an undertaking clearly would require.

Just as likely, the revolutionary shift from offensive deterrence to strategic defense would force equally drastic changes in the structure and power centers of the Soviet military — a prospect that the civilian leaders probably do not savor, and that military leaders may strongly resist.

The serious domestic problems, both economic and structural, that face Mr. Gorbachev should cause him, moreover, to seek an improved climate in Soviet-American relations — which is unlikely to result from a new defensive arms race but might well begin in an agreement to reduce offensive armaments.

That the Russians oppose a strategic defense for good reasons does not entitle them to their own precondition — that the SDI be abandoned before negotiations begin. Nor can they rationally insist on halting American laboratory research.

But deployment of a strategic defense may be, as Richard Nixon has stated, "the ultimate bargaining chip" — one that, properly used, could yield the greatest accomplishment of Mr. Reagan's administration. What will be necessary, however, is that he soften his refusal, expressed in his last news conference, even to consider any form of trade-off involving the SDI.

Even if the SDI were placed "on the table" at Geneva, the result would not necessarily be total abandonment of strategic defense. It is the negotiators' business to examine all implications of possible trade-offs, to determine the consequences for each side in each possible case and to arrive, if possible, at an agreement most advantageous to both sides.

What the new Soviet position has made as clear as anything can be is not that a simple deal can be quickly had, but that it is up to Mr. Reagan to let his negotiators negotiate.

The New York Times.

It is not surprising that no king since Richard III has borne his name, since all three Richards died violent deaths. (We have not had too many Henrys since the Tudors, either.) Prince Charles will probably remedy that lack. He recently included Richard III in a list of his personal heroes.

CLAIRE JORDAN, London.

There are three prime suspects in the Tower priory murder: Buckingham, Henry VII and Richard III. Richard had no reason to kill them: They were imprisoned; their murder would destabilize his rule (as it indeed did); he had a just and courageous reputation. The priory's mother entrusted her daughters to him.

PHILIP BRUTTON, Paris.

While it has not been proved that Richard III did not kill his nephews, he deserves the benefit of the doubt.

SYLVIA CONK, Oberursel, West Germany.

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TUESDAY, OCTOBER 1, 1985

FUTURES AND OPTIONS

Chicago-Singapore Linkage Works in Currency Test

By H.J. MAIDENBERG

New York Times Service

NEW YORK — The year-old currency-futures linkage between the Chicago Mercantile Exchange and the Singapore International Monetary Exchange got its first test by fire last week.

On Sept. 22, representatives of five leading industrialized nations — the United States, France, West Germany, Japan and Britain — announced late in the afternoon a plan to take concerted action to drive down the value of the dollar. That caused currency-futures markets in the United States to close. Because of the linkage between the Chicago Merc and the Singapore exchange, however, the trades were able to be made Sunday night, New York time.

By the time that trading ended in Singapore, Simex traders in Eurodollar, Deutsche mark and yen futures had experienced their busiest day since the exchange opened on Sept. 7, 1984.

"The record 5,556 contracts traded on the Simex last Monday may not have been much, compared with our daily volume in these futures, but it did give alert traders who were long the dollar a chance to offset their positions when our market was closed," said William J. Brodsky, president of the Chicago Merc. "And that is what exchange linkages are supposed to do."

Specifically, the growing linkage of futures exchanges across time zones is aimed at providing traders with an opportunity to use both linked markets as if they were one. For example, traders who had sold short yen futures on the Chicago Merc were able to buy out of their positions on the Simex hours before United States and European exchanges opened, Mr. Brodsky said.

BECAUSE the dollar dropped 5 percent — its largest one-day decline — last Monday, this ability to offset contracts proved beneficial to traders who used this service. It also opened up the entire subject of 24-hour global markets.

"One reason the Chicago Merc-Simex linkage has thus far operated without any problems is that both markets have agreed to abide by American exchange regulations," said Eric C. Bettelheim, a member of the London law firm of Sidley & Austin and a leading authority on international market laws. "But the proposed linkage between London's stock and futures exchanges and those in the United States may face problems."

One problem, Mr. Bettelheim said, is that Britain's large securities, money and commodities markets have, until now, been largely unregulated, with trading conducted under the honor system. Although a number of groups in London's financial center are now working on plans to strengthen self-regulation of their various markets, "nothing like the American Securities and Exchange or Commodity Futures Trading Commission is contemplated," he said.

Because of the absence of a British body of organized laws governing futures trading, the basic premise of the proposed linkage between London's stock and commodities exchanges

Currency Rates

Cross Rates

	\$	£	D.M.	FF.	Y.	S.	S.P.	S.P.
American	1.0000	0.7556	1.9364	6.5596	166.37	1.0000	1.0000	1.0000
British	1.3274	1.0000	2.5937	8.7564	223.64	1.3274	1.3274	1.3274
French	0.1516	0.3876	1.0000	6.5596	166.37	0.1516	0.1516	0.1516
German	0.5193	1.2741	0.1516	1.0000	24.6361	0.5193	0.5193	0.5193
Japanese	0.0060	0.0150	0.0060	0.0060	1.0000	0.0060	0.0060	0.0060
Spanish	166.37	416.76	166.37	416.76	166.37	1.0000	1.0000	1.0000
Swiss	0.7556	1.9364	0.7556	1.9364	166.37	0.7556	0.7556	0.7556
Thai	0.0200	0.0500	0.0200	0.0500	1.0000	0.0200	0.0200	0.0200
Yen	166.37	416.76	166.37	416.76	1.0000	166.37	166.37	166.37

Other Dollar Values

	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
Australian	0.7556	0.7556	0.7556	0.7556	0.7556	0.7556	0.7556
Belgian	36.3636	36.3636	36.3636	36.3636	36.3636	36.3636	36.3636
Canadian	0.7556	0.7556	0.7556	0.7556	0.7556	0.7556	0.7556
Danish	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
French	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
German	0.5193	0.5193	0.5193	0.5193	0.5193	0.5193	0.5193
Italian	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Japanese	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Swiss	0.7556	0.7556	0.7556	0.7556	0.7556	0.7556	0.7556
Thai	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Yen	166.37	166.37	166.37	166.37	166.37	166.37	166.37

Interest Rates

Eurocurrency Deposits

	1 month	3 months	6 months	1 year
Dollar	7 1/8%	7 1/4%	7 1/4%	7 1/4%
Mark	7 1/8%	7 1/4%	7 1/4%	7 1/4%
Yen	7 1/8%	7 1/4%	7 1/4%	7 1/4%

Sources: Money Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates Sept. 30

	Close	Prev.
Discount Rate	7 1/8%	7 1/8%
Federal Funds	7 1/8%	7 1/8%
Prime Rate	9 1/8%	9 1/8%
Money Market Rate	7 1/8%	7 1/8%
Com Paper 90-127 days	7 1/8%	7 1/8%
3-month Treasury Bill	7 1/8%	7 1/8%
6-month Treasury Bill	7 1/8%	7 1/8%
CD 28-day	7 1/8%	7 1/8%
CD 45-day	7 1/8%	7 1/8%

Asian Dollar Deposits

	1 month	3 months	6 months	1 year
Dollar	7 1/8%	7 1/4%	7 1/4%	7 1/4%
Mark	7 1/8%	7 1/4%	7 1/4%	7 1/4%
Yen	7 1/8%	7 1/4%	7 1/4%	7 1/4%

U.S. Money Market Funds

	Sept. 30
Mutual Shares	7.43
Money Market Funds	7.25

Gold

	Sept. 30
Gold	326.40
Gold (100 gms)	327.24
Gold (100 gms)	326.40
Gold (100 gms)	326.40

Commodity Prices

	Sept. 30
Crude Oil	22.50
Crude Oil	22.50
Crude Oil	22.50
Crude Oil	22.50

To Our Readers

Because of the five-hour time difference between Paris and New York until Oct. 27, final New York currency and money rates, a U.S. stock market story based on closing prices and some other late data based on U.S. market closings will be available in all editions.

Markets Closed

Financial markets were closed Monday in Hong Kong, Israel and Taiwan for holidays.

Egyptians Increase Oil Prices

Kharg Attacks Are Blamed

The Associated Press

CAIRO — Egypt increased on Monday the price of its various grades of exported oil by 25 cents to 45 cents a barrel in a move that one official said was related in part to Iraq's attacks on Iran's main export terminal in the Gulf.

The decline in the dollar's value and a decision by the Soviet Union to temporarily halt exports of crude oil to the West also were cited for the second consecutive monthly price increase by Egypt, which is not a member of the Organization of Petroleum Exporting Countries.

Hammad Ayoub, the Oil Ministry's foreign marketing chief, said the price for the top-grade Gulf of Suez and Ras el-Bihar crudes will be \$26.10 a barrel in October, 45 cents higher than the price that applied in September.

He said the Belaim and Ras Badran blends of oil will sell for \$25 a barrel, up from \$24.55 in September, and that the price of Ras Ghareb heavy crude oil will be \$23.50 a barrel, up 25 cents from the previous month.

Egypt's daily oil production averages about 870,000 barrels, about half of which is exported. Egypt is a minor oil supplier to the United States, but its main customers are in Europe, Africa and Asia.

An authoritative ministry source, who spoke only on condition that he not be identified, said the October increases were prompted by "a shortage on the world market for the time being."

One factor, he said, was a drop in Iranian oil exports caused by Iraq's bombardment of Iran's Kharg Island oil terminal. Iraq said Monday that its warplanes raided Kharg Island for a seventh straight day.

Kharg Island handles 90 percent of Iran's petroleum exports. Oil and shipping sources in the Gulf said damage from the Iraqi raids has severely disrupted Iran's exports, which earlier had been averaging about 1.5-million barrels daily.

The Egyptian official also mentioned a Soviet cutback in oil shipments, which has not been confirmed by the Soviet government.

Harvard Review Seeks New Image

Magazine Needs Formula to Lure More Readers

By Steven E. Prokesch

New York Times Service

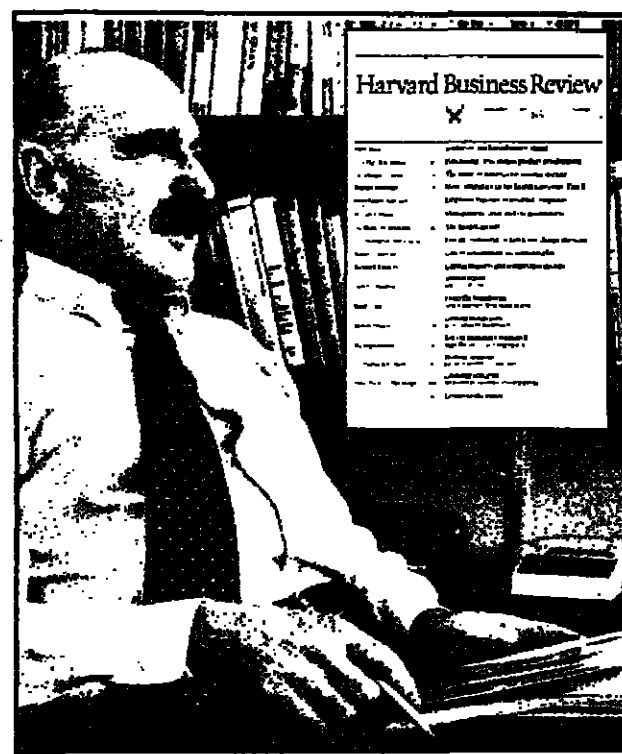
NEW YORK — After decades of telling business people how they should handle their marketing problems, Theodore Levitt, the new editor of the Harvard Business Review, has one of his own to worry about: the Lee Tobler of the world.

Every other month, when the magazine published by the Harvard Business School crosses Mr. Tobler's desk, the chief financial officer of B.F. Goodrich Co. scans the table of contents, tears out those two or three articles that might one day come in handy and files them away. "It is not a publication I read from cover to cover," confessed Mr. Tobler, whose favorite magazine is The Economist, the British weekly. "I haven't met anyone who reads it from cover to cover."

But finding a formula that will win more current readership — and readership of more of the magazine — is viewed as important. Advertisers, who are often wary in the first place of using a magazine that comes out only six times a year, think it is critical. The magazine's policy of bunting ads in the front and in the back of the magazine does not sit well with them either.

"The Harvard Business Review is a tough sale," admitted William A. Janowsky, its general manager.

To make the Review's meager articles in its 200-plus pages less painful for managers to swallow, Mr. Levitt says that he might



Theodore Levitt, Harvard Business Review's new editor.

even try what would be the biggest change at the magazine since it went bimonthly in 1948: publishing a thinner, "less intimidating" version once a month.

Mr. Levitt also is encouraging experiments with different delivery systems. A joint venture with the Public Broadcasting Service is already producing six video programs, each modeled after an issue, and an audio-cassette product is being test-marketed. His goal is to get subscribers to read — or watch or listen to — much more of the Review as soon as they get it.

Currently, "it's easy to put off

Japan's Surplus In Trade Was Lower in August

TOKYO — Japan's current-account surplus narrowed to \$3.49 billion in August from \$4.96 billion in July but was well above the \$1.19-billion surplus a year earlier, the Finance Ministry said Monday.

The current-account, the broadest measure of a nation's trade performance, measures trade in goods and services as well as interest, dividends and certain transfers.

The surplus in the merchandise-trade component narrowed to \$4.38 billion in August from \$5.41 billion in July but was above the \$2.18-billion surplus a year earlier, the ministry said.

It said that exports fell to \$13.71 billion from \$15.12 billion in July but rose from \$13.15 billion a year earlier.

Imports dipped to \$9.33 billion from \$9.71 billion in July and \$10.97 billion a year earlier.

At the same time, the deficit in nonmerchandise trade, which refers to items such as banking services, shipping fees, insurance and income from investments abroad, widened to \$818 million in August from \$371 million in July and was down from \$891 million a year earlier, the ministry said.

The August deficit in the balance of payments, which includes the current account plus the flow of gifts and foreign aid, capital loans, official settlements and reserves, narrowed to \$3.03 billion from \$3.91 billion in July and compared with a \$1.98-billion deficit a year earlier, the ministry said.

The long-term capital account

deficit fell to \$6.53 billion in August from a record \$8.87 billion deficit in July, and compared with a 3.17 billion deficit a year ago.

Japan Moves on Program

Japan set deadlines Monday to speed up its "action program" aimed at easing the way for foreign products to enter the Japanese market and to reduce criticism of its huge trade surpluses. The Associated Press reported from Tokyo.

A government task force pledged to give foreign companies a greater opportunity in bidding for government contracts after Tuesday, and outline how they may have a voice in shaping Japan's product approval measures by next year, a Foreign Ministry official said. Japan's trade partners have been accusing Japan of dragging its feet in both areas.

Most of the new deadlines in those and other areas were not specified when Japan first announced the market-opening package on July 30, saying it would be put into effect over three years. In some cases, Monday's action moved up deadlines that had been set in the program.

The task force also promised to reduce the time many overseas companies must wait for approval of their products' entry into Japan's market. For example, it will certify pharmaceutical products within 18 months and automobiles within one month, said the official, who asked not to be named.

Currently a foreign automaker must wait up to 70 days for such approval.

Liberalizing Efforts by Japan Make Foreign Stocks Attractive

TOKYO — Japan's steps to liberalize its financial markets are paying off in the stock market as foreign companies, domestic brokers and individual investors see foreign shares as a new growth area, stock analysts say.

"Investors expect there is an opportunity to make more money there now," the chief of the Tokyo Stock Exchange foreign shares section, Kiichi Oda, said Monday.

"Tax breaks, foreign stocks' low price/earnings ratios, a market

flooded with cash, and an increasingly global stock market underpin the new attitude, analysts said.

Beginning in January the tax on foreign dividends will be the same as on Japanese dividends. Investors will pay no tax on the first 100,000 yen (\$450) from each company, compared with a tax-free allowance of only 50,000 yen on combined foreign dividends now.

Overseas dividends, averaging 5 percent compared with 1 percent on domestic stocks, will then look more attractive, brokers said.

Foreign issues also look better with P/E ratios of around 10 compared with an average 30 for Japanese companies, stock analysts said.

Foreign stock analysts in Tokyo and highly publicized takeover bids in foreign markets have also awakened Japanese investors to a chance for large gains.

Tokyo is the largest stock market after New York in terms of both the volume and value of shares traded. Moreover, in the last two years, new money from special

trust management accounts, individual savings and a shift of institutional funds from overseas bonds to equities has flooded the market, according to the international finance division chief of Nikko Securities Co., Tadashi Matsui.

Many companies cite the desire to raise yen capital and public relations reasons for being listed in Tokyo. But some analysts also noted that with the advent of 24-hour global trading, the more shares listed on every major exchange the better.

Since last year, there has been an upsurge in interest from foreign companies looking for a Tokyo listing after the exchange simplified application documents and abandoned a requirement that overseas auditing be duplicated in Japan.

In June 1984, Sears Roebuck & Co. became the first foreign stock to be listed in Tokyo in eight years. So far this year three new companies have been listed, bringing the

(Continued on Page 13, Col. 6)

Canada Will Liquidate Another Bank in Alberta

Compiled by Our Staff From Dispatches

OTTAWA — The Canadian government said Monday that it will seek a court order to liquidate Northland Bank of Calgary, Alberta, and will appoint a commission of inquiry to determine why it and another regional bank failed.

Northland and Canadian Commercial Bank of Edmonton, were closed Sept. 1 after months of losses, but Northland was given time to find a merger partner or reorganize.

Canada's minister of state for finance, Barbara McDougall, said Monday that several reorganization proposals for Northland were examined, but that none proved to be viable.

The failures, the first in Canada since 1923, have caused an uproar in Parliament, and Mrs. McDougall said a nonpartisan forum was needed for senior public officials to "explain their actions."

Prime Minister Brian Mulroney appointed a Supreme Court of Canada Justice, Willard Estey, to begin hearings on Wednesday.

Shortly before its collapse, CCB received 255 million Canadian dollars (about \$186 million) in aid from six chartered banks and the federal and provincial governments. The combined cost of the collapse of both banks is expected to surpass 1.2 billion dollars.

Although the assets of the two banks amounted to about 4 billion dollars, that represented only about 1 percent of the total 400 billion dollars in assets held by Canada's 14 domestic banks, Mrs. McDougall said.

"But they were important regional institutions, and their loss is a serious matter to Western Canada and to the nation," she said. "Both banks had expanded to major cities across the country."

The government's previously announced legislation to compensate uninsured depositors of both banks will be introduced next week, Mrs. McDougall said.

The federal government has promised to repay all uninsured deposits of both banks, although the Canada Deposit Insurance Corp. normally covers deposits up to 60,000 dollars.

She said previously that the uninsured deposits total about 470 million dollars at Northland and 430 million dollars at Canadian Commercial.

Mrs. McDougall said that a curator's report submitted to her on Sept. 27 stated that the book value of Northland's loan portfolio did not reflect an adequate provision for loan losses, and that the amount required to provide for the loan losses would exceed the amount of the bank's capital base.

The curator's report said it would be pointless to allow the bank to continue operating unless there was an immediate major restructuring. (Reuters, UPI)

Inflation in Peru Falls Sharply Under Garcia

United Press International

LIMA — Peru's inflation rate slowed to 3.5 percent in September, the lowest monthly increase this year, the government said Monday.

The drop was the first concrete result of a series of price freezes and other economic measures taken by President Alan Garcia Perez since he came to office on July 28.

In August, the inflation rate was 10.8 percent. Accumulated inflation for the last 12 months was 188.2 percent, a slight drop from August's accumulated rate of 191.7 percent. Before Mr. Garcia was sworn in, analysts predicted that inflation would exceed 200 percent this year.

The Garcia administration also announced that it would nearly halve bank interest rates on loans, the third time it has done so since taking office.

The Central Reserve Bank said interest rates would be reduced to 45 percent from 75 percent on Tuesday. When Mr. Garcia took office, interest rates were 280 percent.

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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
Boeing	301.4	297.5	297.5	+1.5
IBM	101.7	101.0	101.0	+0.5
General	101.7	101.0	101.0	+0.5
Gold	101.7	101.0	101.0	+0.5
Exxon	101.7	101.0	101.0	+0.5
AT&T	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5

Dow Jones Averages					
	Open	High	Low	Last	Chg.
Indus	1330.89	1326.81	1325.55	1325.63	+7.84
Trans	440.92	438.42	438.72	438.72	+0.30
Comp	534.99	534.46	534.61	534.61	+1.28

NYSE Dailies	
--------------	--

NYSE Index				
High	Low	Close	Chg.	
Composite	1331.11	1325.55	1325.63	+7.84
Indust	1330.89	1324.81	1325.55	+7.84
Trans	440.92	438.42	438.72	+0.30
Comp	534.99	534.46	534.61	+1.28

**Monday's
NYSE
Closing**

Vol. at 4 P.M. 183,000,000
Prev. 4 P.M. vol. 184,100,000
Prev. consolidated close 125,642,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries		
Class	Prev.	
Advanced	275	275
Declined	285	285
Unchanged	295	295
Total Issues	854	854
New High	51	51
New Low	2	2
Volume down	2,574,776	

NASDAQ Index				
Class	Chg.	Week	Year	
Composite	+0.11	+0.32	+17.86	
Indust	+0.01	+0.01	+22.27	
Trans	+0.01	+0.01	+22.27	
Comp	+0.01	+0.01	+22.27	
Indus	+0.01	+0.01	+22.27	
Trans	+0.01	+0.01	+22.27	
Comp	+0.01	+0.01	+22.27	

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Boeing	301.4	297.5	297.5	+1.5
IBM	101.7	101.0	101.0	+0.5
General	101.7	101.0	101.0	+0.5
Gold	101.7	101.0	101.0	+0.5
Exxon	101.7	101.0	101.0	+0.5
AT&T	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5
IBM	101.7	101.0	101.0	+0.5

Dow Jones Bond Averages		
Class	Chg.	
Bonds	+0.14	
Utilities	+0.01	
Indust	+0.01	

NYSE Diaries		
Class	Prev.	
Advanced	275	275
Declined	285	285
Unchanged	295	295
Total Issues	854	854
New High	51	51
New Low	2	2
Volume down	2,574,776	

Odd-Lot Trading in N.Y.		
Class	Prev.	
Advanced	275	275
Declined	285	285
Unchanged	295	295
Total Issues	854	854
New High	51	51
New Low	2	2
Volume down	2,574,776	

Standard & Poor's Index		
Class	Prev.	
Indust	+0.01	
Trans	+0.01	
Comp	+0.01	

AMEX Sales		
Class	Prev.	
Advanced	275	275
Declined	285	285
Unchanged	295	295
Total Issues	854	854
New High	51	51
New Low	2	2
Volume down	2,574,776	

AMEX Stock Index		
Class	Prev.	
Advanced	275	275
Declined	285	285
Unchanged	295	295
Total Issues	854	854
New High	51	51
New Low	2	2
Volume down	2,574,776	

Stocks End With 7.8-Point Gain

NEW YORK — Prices were mixed at the close of the New York Stock Exchange Monday in active trading. The Dow Jones industrial average, which rose 7.74 Thursday, was up 7.84 to 1,325.63 at the NYSE close.

A more than 7-point advance in the price of General Foods, a heavily weighted component of the Dow Jones industrial average, was largely responsible for the blue chip index being in plus territory, analysts said.

Philip Morris, the giant tobacco and beverage company, agreed Friday to acquire General Foods for \$120 a share and the boards of the two companies approved the merger agreement Monday morning.

Declines led advances by an 8-7 ratio and volume amounted to about 103.6 million shares on the first day of the new extended trading hours, compared with 106.1 million Thursday. Neither the New York nor American stock exchanges opened Friday because of Hurricane Gloria.

Prices were lower in active trading of American Stock Exchange issues.

"The direction is to the downside," said Robert Kahan, director of equity trading at Montgomery Securities in San Francisco. "If you take

out General Foods, you have the market flat to down."

Mr. Kahan said that "everyone is on the sidelines waiting for a direction to emerge. It's hard to come up with a cogent reason to buy stocks at the moment."

Marvin Katz, of Sanford C. Bernstein, said the market tested the 1,300 level and must build a base in the 1,300 to 1,320 area before moving higher. "It's a very bored, lackluster market," he said.

Before the market opened, the Commerce Department reported that its composite index of leading economic indicators rose 0.7 percent in August.

The Federal Open Market Committee, the policy-making arm of the Federal Reserve, meets Tuesday but most analysts believe the Fed will maintain its current monetary policy.

"The Fed's hands are tied," said Monte Gordon of Dreyfus Corp. "The central bank is unable to move forcefully to stimulate the economy and unable to restrain money supply."

Richardson-Vicks was the most active NYSE-listed issue, jumping sharply. Unleveraged raised its bid for the company to \$60 a share last week.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.
101.7	101.0	IBM	3.20	3.1%	10.0	101.7	101.0	101.0	+0.5
301.4	297.5	Boeing	1.50	0.5%	13.5	301.4	297.5	297.5	+1.5
101.7	101.0	General	1.00	0.5%	10.0	101.7	101.0	101.0	+0.5
101.7	101.0	Gold	1.00	0.5%	10.0	101.7	101.0	101.0	+0.5
101.7	101.0	Exxon	1.00	0.5%	10.0	101.7	101.0	101.0	+0.5
101.7	101.0	AT&T	1.00	0.5%	10.0	101.7	101.0	101.0	+0.5
101.7	101.0	IBM	3.20	3.1%	10.0	101.7	101.0	101.0	+0.5
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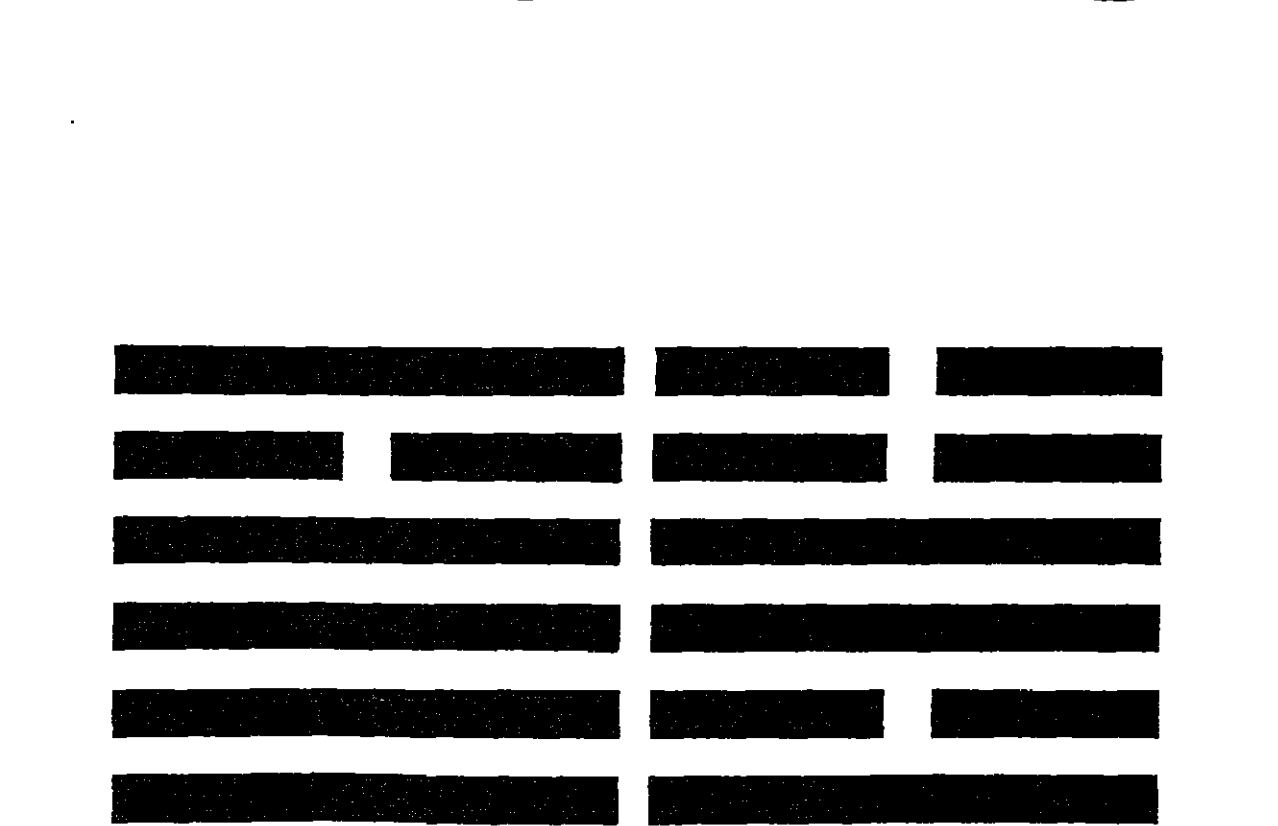
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From the CHING or "Book of Changes" which consists of 64 hexagrams devised by the first Chinese Sage Fu Hsi (B.C. 3322) and to which explanations were added also by Confucius (B.C. 550-478)

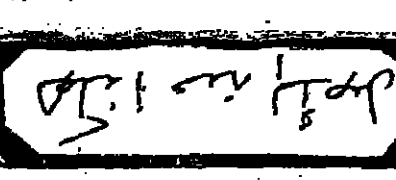
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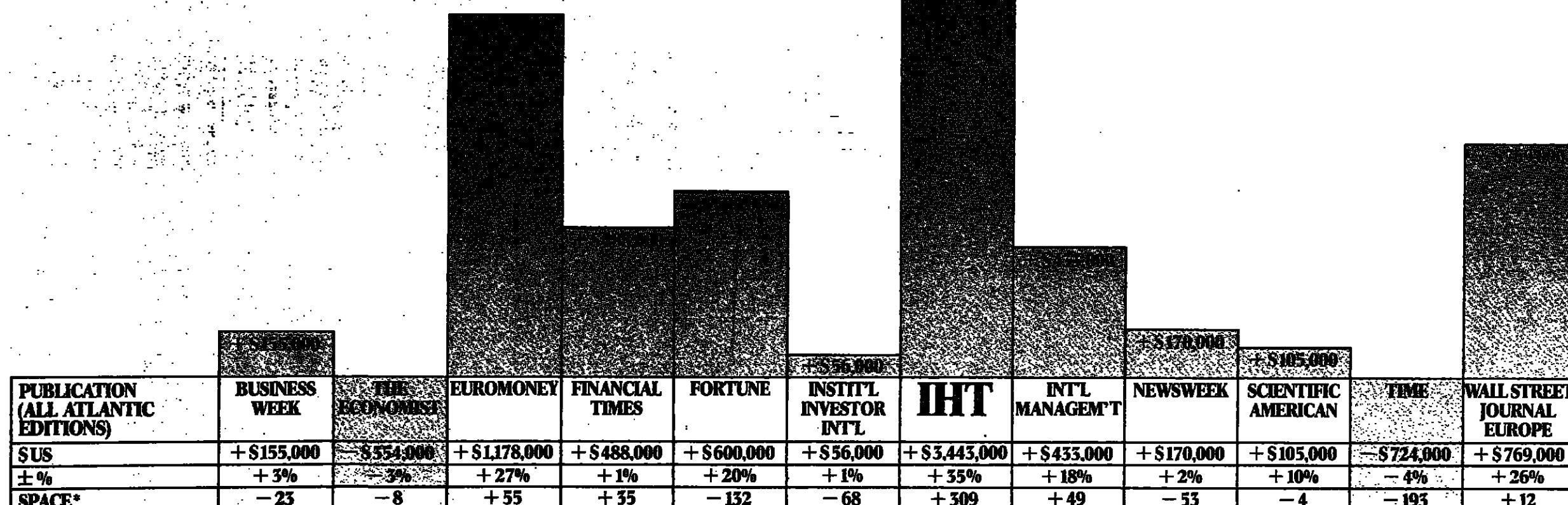
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Germans Bid For Control Of Chemical Producers

By John Tagliabue
New York Times Service

FRANKFURT — Last May, BASF, the West German chemical giant, capped a major acquisition drive by laying out \$1 billion for an American ink and paint maker, Inmont.

Earlier this year, Hoechst, another industry leader, snapped up Rosenthal Technik, the technology arm of the Rosenthal porcelain group. At about the same time, Bayer, the third of Germany's chemical giants, announced ambitious plans to boost its drive into the U.S. pharmaceutical market, including the construction of a multimillion-dollar research center in Connecticut.

West Germany's three biggest chemical companies — also the world's three largest until 1981, when Du Pont acquired Conoco and grabbed first place by total sales — are on the move.

For the last two years they have enjoyed their biggest earnings boom since the mid-1970s. Unlike their U.S. counterparts, who are staggering under the combined burdens of the strong dollar, fierce foreign competition and weakening demand, the West German companies have available capital.

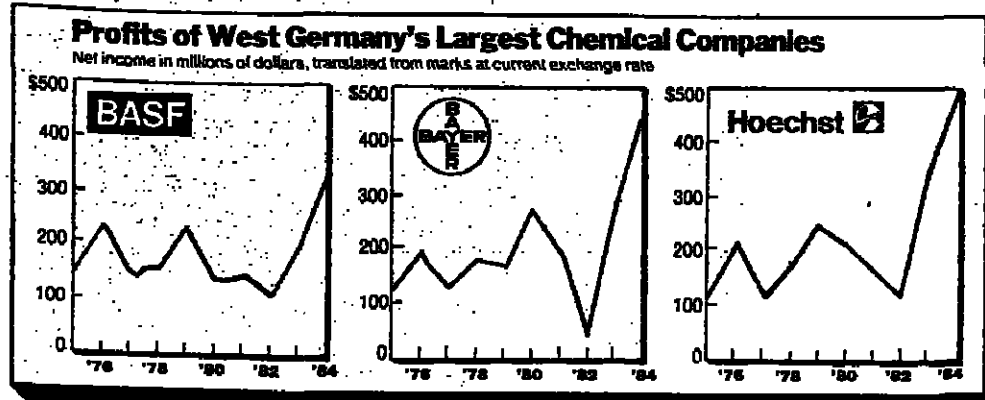
However, memories of their severe slump of the early 1980s are still vivid, and West Germany's big three are embarking on a flurry of acquisitions at home and abroad, particularly in the United States, where combined sales already near \$8 billion.

The goal of the buying binge: To entrench themselves in areas that hold promise of growth, and thus guard against downturns.

While that goal pervades the strategies of all three companies, their tactics to achieve it differ. Analysts and industry officials say that, perhaps for the first time in their turbulent history, West Germany's big three are moving down markedly varying paths.

"They're still so much alike in size that the differences are often just a matter of definition," said Wolfgang Munde, executive director of the Chemical Industry Association. "It's in their strategies that they're starting to move apart."

Of the three, Hoechst's moves most closely mirror those of many American chemical companies. In recent years, industry wisdom in the United States and Europe has been to stress specialty chemical products, like pharmaceuticals or new plastic materials, leaving the production of cheap bulk chemi-



cal to new competitors in Asia, Latin America and Eastern Europe.

The West German companies remain heavily involved in bulk chemicals, but two of them are branching out at a heady pace.

Hoechst, with the largest share of pharmaceuticals of the three, has moved most heavily in that direction. Bayer, regarded by many as the sleeper of the three, has also moved into specialty products, but has first focused its energies on cleaning up its own foundering units, like the big Agfa-Gevaert photo division.

Only BASF, with traditionally the largest share of petrochemical and refining activity, has bucked the wisdom, spending freely for major acquisitions that are not far removed from the commodity chemicals business.

For example, hard on the heels of the \$1 billion Inmont acquisition, BASF paid an estimated \$100 million for a Monsanto plant in northeast England that produces intermediate products for the manufacture of nylon and acrylic fibers. The purchase of that plant makes BASF the world's largest producer of acrylonitrile, which is used to make synthetic fibers.

Although few analysts are pegging acrylonitrile as a stellar growth product, most say that BASF has positioned itself to make the most profits from it.

"The idea is that if you are in the game, then be the biggest player," said Howard Coates, the chief chemical analyst at the London stockbrokerage of de Zoete & Bevan.

Most analysts say Bayer and Hoechst have chosen safer strategies in mapping out high-growth markets, but BASF, if it does wind up controlling the markets for acrylonitrile and other basic or intermediate chemicals, might yet turn out the biggest winner with the greater gamble.

More is at stake for all three than the fortunes of their shareholders. Between their exports from home and their broad networks of subsidiaries, the firms already do an average 70 percent of their business outside West Germany.

With coal, steel and other major smelting industries in the doldrums, and sectors like automo-

biles and electronics under attack from Japan and the United States, the export revenues that chemicals generate have assumed particular significance. Last year, chemicals accounted for 15 percent of all West German exports, up from 13 percent 10 years ago.

The idea of BASF, Bayer and Hoechst moving in such different directions is ironic in that the three companies share identical roots. They were all founded in the late 19th century by German chemists who developed organic dyes for flourishing textile mills.

Between the two world wars, the three became part of the I.G. Farben chemical trust. The cartel used slave labor during World War II and produced gases used in Nazi extermination camps. Allied occupation powers broke up I.G. Farben after the war, and divided its assets among five companies.

Bayer, BASF and Hoechst received the main shares. Today, the three together outsell the combined chemical companies of any other European country.

Each of West Germany's big three has tried to keep a stable of diversified chemicals, but each has been heavily invested in commodity chemicals.

The combined impact of competition from oil-rich nations and the

worldwide recession hit the companies hard. In 1980-82, they were shaken by two oil-price shocks and slackening demand.

Now they want to make the most of the rebound. The earnings growth of 1983 and 1984 already has leveled off, but has not stopped. After posting an average sales growth of 13.7 percent in 1984, the companies reported an average gain of 10.5 percent in the first six months of this year.

Bayer, with the largest sales volume in the first half of this year, said earnings before taxes rose 16 percent, to the equivalent of \$605 million, as revenues increased 12.3 percent, to \$8.6 billion. BASF, the second largest, reported a 37.3 percent earnings increase, to \$603 million, more than three times the rate of revenues, which were up 11.9 percent, to \$8.4 billion. Hoechst, No. 3, said earnings jumped 11.5 percent, to \$577 million, on a 7.3 percent sales rise, to \$7.8 billion.

Still, the warning lights are blinking again.

For one thing, there is a petrochemical industry growing in the Gulf. For another, much of the recent recovery was fueled by an export boom that was a result of the increased strength of the Japanese yen and the dollar against the Deutsche mark.

For Some U.S. Firms, Smaller Is More Profitable

(Continued from Page 1)
of business and public policy at Harvard University, see the trend as just another dangerous sign that the United States is consigning itself to the eventual role of a second-rate industrial power that merely assembles what the Japanese build.

Union leaders are also concerned, especially about large companies' growing practice of buying, or "out-sourcing," parts, products and services. They fear that the practice will only accelerate the movement of highly paid manufacturing jobs to lower-paying U.S. companies or foreign countries.

"Out-sourcing is a serious problem in all American industries," said Donald F. Ephlin, the United Auto Worker union's vice president in charge of dealing with General Motors Corp.

Virtually everyone agrees that this corporate disassembling helps explain the huge increase in disinvestures. There were 900 last year, with a market value of \$29.4 billion, according to W.T. Grimm & Co., which specializes in mergers and acquisitions.

It also helps explain the corresponding surge in joint ventures and other alliances between U.S. and foreign companies. And it makes finding a solution to the record trade deficits all the more difficult.

U.S. manufacturers may moan about the mounting competitive threat from Japan, South Korea or Taiwan. Yet the proliferation of dependable, cost-efficient suppliers in those countries is driving down the price and driving up the quality of parts.

And that development is giving U.S. companies much more flexibility in deciding which parts, or entire products, for that matter, they should make themselves and which they should buy. They can

determine where in their business systems their greatest competitive strength lies and focus their resources accordingly.

Xerox Corp. now buys about 20 percent of the electronic parts that go into its photocopiers; as recently as 1979, it bought virtually none. Such out-sourcing has enabled Xerox to come up with the funds for a new photoreceptor plant and a new toner plant, said H. Barry Bebb, a Xerox vice president.

The dismantling of big corporations is also significantly altering the way they are managed. One of the most noticeable changes is the effort to develop closer, long-term relationships with suppliers, much as Japanese companies have done.

Ford, Xerox and General Electric are among the companies sharply reducing the number of suppliers they do business with, even as they buy more parts from outside vendors. They want to make themselves more important to their suppliers, thereby increasing their leverage with suppliers.

"We realized that we had to become a preferred customer," said Nicholas Scheele, the director of supply policy and planning at

Ford, which has pared its North American suppliers by about 30 percent since the end of 1981.

At the same time, the suppliers are being given an unprecedented amount of responsibility. Ford now frequently involves them in designing the parts that they have been asked to manufacture. A.O. Smith Corp., for example, designed the engine subframe for the Taurus and the Sable, Ford's newest mid-sized cars.

That kind of involvement is becoming the rule rather than the exception in other industries as well.

Autoworkers at General Motors' Rochester products division, in Rochester, Michigan, worked with company engineers to design an efficient process for making fuel-injection systems, which GM had been buying exclusively from outside suppliers.

While it remains to be seen whether this kind of worker attitude spreads to other industries or fades away as out-sourcing grows, one thing is already clear: Companies are reaping bigger profits, developing products faster and making a better showing against foreign

competitors by doing less themselves.

California Steel Industries, a company that imports steel slabs from Brazil and other countries and finishes them in plants bought from Kaiser Steel, has just moved into the black, which an integrated Kaiser Steel had not been able to achieve for several years.

Firestone today makes money on truck radial tires, unlike three years ago. RCA Corp., which had a loss of \$375 million making and marketing its own videodisk player, has made "very high profits" marketing Japanese-made video cassette recorders.

Some companies see marketing someone else's product as a key way to keep Japanese brands out of their markets, or at least to limit their inroads. The auto industry may have created the biggest stir by adopting this tactic, but it is hardly the only one embracing this strategy.

STOCK	US\$	US\$
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Greece	Dr.	101	55	30
Great Britain	£	15,630	8,464	4,692
China	R.	520	298	166
Netherlands	Fl.	115	62	34
Ireland	Ir.	276,000	149,040	82,800
Italy	L.F.	9,030	4,876	2,668
Luxembourg	N.Lg.	1,420	765	423
Norway	Nkr.	13,800	7,450	4,090
Portugal	Pes.	21,200	11,500	6,300
Spain	Pes.	1,490	795	434
Sweden	Skr.	421	233	129
Switzerland	Sfr.	421	233	129
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$	322	174	95
Rest of Africa, Canada, Latin America, Gulf States	\$	442	238	130
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Card expiry date _____ Signature _____
Card account number _____
Name _____
Address _____
City _____ Country _____ I-10-85
Tel. _____

London Commodities

Commodity	Unit	Sept. 30	Previous
SUGAR	High Low	134.00 131.00	134.00 131.00
Cocoa	High Low	1,420 1,410	1,420 1,410
Coffee	High Low	1,420 1,410	1,420 1,410
Wheat	High Low	1,420 1,410	1,420 1,410
Barley	High Low	1,420 1,410	1,420 1,410
Oats	High Low	1,420 1,410	1,420 1,410
Maize	High Low	1,420 1,410	1,420 1,410
Soybeans	High Low	1,420 1,410	1,420 1,410
Wheat	High Low	1,420 1,410	1,420 1,410
Barley	High Low	1,420 1,410	1,420 1,410
Oats	High Low	1,420 1,410	1,420 1,410
Maize	High Low	1,420 1,410	1,420 1,410
Soybeans	High Low	1,420 1,410	1,420 1,410

Paris Commodities

Commodity	Unit	Sept. 30	Previous
SUGAR	High Low	134.00 131.00	134.00 131.00
Cocoa	High Low	1,420 1,410	1,420 1,410
Coffee	High Low	1,420 1,410	1,420 1,410
Wheat	High Low	1,420 1,410	1,420 1,410
Barley	High Low	1,420 1,410	1,420 1,410
Oats	High Low	1,420 1,410	1,420 1,410
Maize	High Low	1,420 1,410	1,420 1,410
Soybeans	High Low	1,420 1,410	1,420 1,410
Wheat	High Low	1,420 1,410	1,420 1,410
Barley	High Low	1,420 1,410	1,420 1,410
Oats	High Low	1,420 1,410	1,420 1,410
Maize	High Low	1,420 1,410	1,420 1,410
Soybeans	High Low	1,420 1,410	1,420 1,410

London Metals

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

Cash Prices

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

U.S. Futures

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

FOREIGN & COLONIAL RESERVE ASSET FUND

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

Dividends

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

Treasury Bills

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

DM Futures Options

Commodity	Unit	Sept. 30	Previous
Aluminum	High Low	1,420 1,410	1,420 1,410
Copper	High Low	1,420 1,410	1,420 1,410
Gold	High Low	1,420 1,410	1,420 1,410
Iron	High Low	1,420 1,410	1,420 1,410
Nickel	High Low	1,420 1,410	1,420 1,410
Palladium	High Low	1,420 1,410	1,420 1,410
Platinum	High Low	1,420 1,410	1,420 1,410
Silver	High Low	1,420 1,410	1,420 1,410
Tin	High Low	1,420 1,410	1,420 1,410
Zinc	High Low	1,420 1,410	1,420 1,410

FIDELITY PACIFIC FUND S.A.

Incorporated Under the Laws of Panama

Please take notice that the Annual General Meeting of Shareholders of Fidelity Pacific Fund S.A., the "Corporation" will take place at 3:00 p.m. at the Corporation's principal office, Pembroke Hall, Pembroke, Bermuda, on October 15, 1985.

The following matters are on the agenda for this Meeting:

1. Election of seven (7) Directors, specifically the re-election of all present Directors Messrs. Edward C. Johnson III, William L. Byrne, Charles A. Fraser, Hisashi Furukawa, John M. S. Patton, Harry G. A. Seggerman and James E. Troner.
2. Review of the balance sheet and profit and loss statement for the fiscal year ended May 31, 1985.
3. Ratification of the actions taken by the Direct since the previous Annual General Meeting.
4. Ratification of the actions taken by the Investment Manager since the previous Annual General Meeting.
5. Consideration of such other business as may properly come before the meeting.

Holders of registered shares may vote by proxy by mailing a form of Registered Shareholder's Proxy to the Corporation or from the companies listed below to the Corporation at the following address:

FIDELITY PACIFIC FUND
The Fund aims for a consistent long term capital growth from a diversified portfolio invested in the Pacific Basin with emphasis on Japan and the U.S.A. The Fund is currently invested in Japan (56%), U.S.A. (37%), Hong Kong (7%), Australia (1%) and Cash (12%). The Fund was launched on 9th December 1980 at the share price of \$9.20. The Fund was valued at \$13.79 at the share price of \$14.45 on 24th August 1985.

Copies of the Offering Circular and latest Quarterly Report can be obtained from Fidelity International at:

P.O. Box 670, Pembroke Hall,
East Brimley, Pembroke,
Bermuda.
Tel: (471) 215 (local)
Telex: (261) 330

4 Bond Street,
St. Helier,
Jersey, C.I.
Tel: (01634) 71966
Telex: 82729

3 U.S. Companies Accuse Japanese Of Dumping Chip

The Associated Press

SAN JOSE, California — Three major U.S. semiconductor companies filed an anti-dumping petition Monday against allegedly "predatory" Japanese practices.

Advanced Micro Devices, Intel Corp. and National Semiconductor Corp. — three of the five largest U.S. semiconductor companies — announced the action at a news conference. The memory chips are called EPROMs — erasable programmable memory components.

Japanese companies that make and export a type of memory chip crucial in sophisticated computer function were named in the petition to the U.S. Commerce Department and the U.S. International Trade Commission. Among the Japanese companies named were Fujitsu, Mitsubishi Electric Co. and Hitachi Ltd., Japan's leading EPROM producer.

The petition argued that the Japanese companies are selling goods below cost, and pleaded for protection against the imports by imposition of countervailing duties.

Both Boards Approve General Foods Merger

NEW YORK (UPI) — Philip Morris Cos. and General Foods Corp. announced Monday that the boards of directors of both companies have unanimously approved the merger announced last week.

Under terms of the agreement, Philip Morris, the tobacco and beverage giant, will acquire for \$120 per share all of the stock outstanding of General Foods. The merger is valued at \$5.7 billion.

Rabobank Nederland, now with a branch office in London.

For a couple of years Rabobank Nederland has had a representative office in the City of London. Rabobank Nederland is now extending its activities by opening a full branch in London. This branch offers a comprehensive range of international banking services.

Rabobank is a Dutch co-operative banking institution with total assets exceeding 130 billion Dutch guilders. It ranks among the largest banks in the world. Rabobank derives its strength mainly from its dominant position in the Netherlands, especially in Dutch agriculture and agribusiness.

Rabobank offers international financial expertise through its own branches and representative offices abroad as well as through an extensive correspondent banking network.

Member of the Union Banking Group

Rabobank
Rembrandt country is Rabobank country.

Rabobank Nederland, International Division, Croeselaan 18, 3521 CB Utrecht, the Netherlands. Telex 40200. New York Branch, U.S.A. Telex 424337, ADCA-Branch, Frankfurt/Main, F.R.G. Telex 412954, Antwerp Branch, Belgium. Telex 52031, Subsidiary Curaçao, N.A. Telex 3422.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Sept. 30, 1985

Net asset value quotations are supplied by the Funds listed with the exception of some which are based on bid prices. The majority of funds indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (M) - monthly; (Q) - quarterly; (Y) - annually.

Fund Name	Net Asset Value	Frequency
ALM MANAGEMENT	\$ 16.01	D
BANK JULIUS BAER & CO. INC.	\$ 16.01	D
... (many more funds listed)

ADVERTISMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Sept. 30, 1985

Net asset value quotations are supplied by the Funds listed with the exception of some which are based on bid prices. The majority of funds indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (M) - monthly; (Q) - quarterly; (Y) - annually.

Fund Name	Net Asset Value	Frequency
ALM MANAGEMENT	\$ 16.01	D
BANK JULIUS BAER & CO. INC.	\$ 16.01	D
... (many more funds listed)

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CSR Is to Sell Ore Interests to BHP

Reuters

SYDNEY — CSR Ltd., the Australian energy group, said Monday it would sell its West Australian iron ore interests to Broken Hill Pty. to reduce group debt by about \$1 billion Australian dollars (\$714.3 million) but retain 100 percent of its Delhi Australia Fund trust.

CSR said the restructuring will give it access to all of Delhi's assets and cash from oil and gas from April 1, 1986, and reduce debt by more than 50 percent.

Under the plan, BHP will buy CSR's subsidiary, Pilbara Iron Ltd., which has a 30-percent interest in the Mount Newman iron ore project, and CSR's 22-percent

stake in Thiess Dampier, Mitsui Coal Pty.

Separately, BHP's managing director and chief executive, Brian Loton, said his company would spend 1.01 billion dollars increasing its stake in Mount Newman to 83 percent and in TDM to 80 percent.

In addition to the purchases from CSR, BHP will also buy the 25-percent Mount Newman stake held by Amex Iron Ore Corp., Mr. Loton said.

BHP's would pay 880 million dollars for the Mount Newman interests and 140 million for the TDM shares. CSR would in turn buy BHP's 50-percent stake in Western Collieries and Dampier

Pty. for 10 million dollars, Mr. Loton said.

The Mount Newman joint venture supplies most Australian needs and has several long-term export contracts with Japan, South Korea and other countries.

On the Delhi restructuring, CSR said it will repay over the next six months all the existing Delhi Australia fund debt of 1.3 billion dollars at current exchange rates.

The repayment will be funded by the proceeds of a 1985 share issue to raise about 250 million dollars, divestment of Pilbara Iron, TDM, CSR Pastoral Properties, Richter Drilling Pty. and other assets to raise 800 million dollars, and a 250-million-dollar net increase in long-term borrowings.

West German, Italian Groups Plan A Venture to Market Space Flights

Compiled by Our Staff From Dispatches

BREMEN, West Germany — Aerospace groups in West Germany and Italy will cooperate in a venture to market space flights and the use of space laboratories and production units, one of the companies said Monday.

ERNO Raumfahrttechnik GmbH, a wholly owned subsidiary of Messerschmitt-Bölkow-Blohm GmbH, West Germany's leading aerospace company, said it would set up a joint subsidiary with Italy's Aeritalia to give industry access to space as a laboratory and production site.

The new company, Inspace GmbH, would be an intermediary between the aerospace sector and other industries that at present are not fully aware of the range of commercial uses to which space could be put, ERNO believes.

Inspace would offer development of space-based production facilities and transport vehicles as well as help with financing. ERNO and Aeritalia had leading roles in developing Europe's orbiting space laboratory.

COMPANY NOTES

Allied-Lyons PLC said its pension fund bought 350,000 Allied shares at 295 pence (\$4.13) each. It is subject to a potential bid from Elders IXL, the Australian brewing, agricultural and financial concern.

Atlas Consolidated Mining & Development Corp., based in Manila, said it will suspend operations at a copper mine and mill in the Philippines because of a decline in world prices.

Banque Paribas, the French state-owned bank, said its Paribas Technology subsidiary has set up a \$50-million venture capital fund to invest in fast-growing high-technology companies in the United States, Japan and Western Europe.

Chrysler Canada Ltd. union

workers voted overwhelmingly to authorize a strike if current contract talks with the company fail, a Canadian United Auto Workers union spokesman said.

CIT/Alcatel, the French telecommunications concern, has received an order from Nepal for a digital telephone switching system worth about 100 million francs (\$12.3 million).

Guest, Keen & Nettlefolds PLC, the British engineering concern, said it would increase its holding in its related Spanish company, Ayra Dux SA, to 66 percent from 35 percent. It has also agreed to buy the total share capital of Indugas SA of Spain. No financial details were given.

Kleinwort, Benson Ltd., the London-based merchant bank, said it sold 50,000 United Newspapers PLC ordinary shares on Friday at 303 pence (\$4.24) each. The concern is financial adviser to Fleet Holdings PLC, the subject of a bid by United Newspapers.

Malaysian Airline System, the state-owned concern, began its privatization Monday by offering to the public 52.5 million shares. Industry sources said public response to the share offer is expected to be good. The offer closes on Oct. 30.

Singapore Airlines said it will make two additional flights to the United States via Tokyo beginning Oct. 29.

Ericsson Ends U.S. Sales Of Computers

Reuters

RICHARDSON, Texas — Ericsson Inc., a joint venture of L.M. Ericsson Telefonaktiebolaget of Sweden and Atlantic Richfield Co. of the United States, said Monday that it will withdraw from U.S. personal computer marketing to concentrate on its core business of telecommunications.

Ericsson said the decision had been prompted by depressed market conditions for personal computers.

It said its distribution agreements with 175 computer dealers will not be renewed when they expire at the end of the year, but Ericsson will continue to service its

customers. Separately, officials at the parent concern in Stockholm said that Ericsson will soon announce further measures to streamline its

published information-systems subsidiary.

"We will take additional steps to streamline operations in Ericsson Information Systems very soon," a spokesman said. He did not elaborate.

Ericsson began a streamlining drive at EIS after it showed a 217-million-kronor (\$26.9-million) loss 1984.

Ericsson's first half pretax profit is year fell to 644 million kronor or 928 million because of lower-than-expected earnings at EIS.

Explaining the move to pull out of the U.S. market for personal computers, the spokesman said at Ericsson had not achieved the

les volume it expected.

Floating-Rate Notes

Dollar

Sep. 30

Issuer/Amount

Coupon Next Bid Asked

Allied Irish 95 7% 10-12 99.98 100.00

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
From The Associated Press

Stock	Div.	Yld.	PE	52- Week High	52- Week Low	Close	Quot. Ch'g
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**Monday's
OTC
Prices**

NASDAQ Composite
Sept. 19 - 1,411.14
Vol. 1,010,000,000

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If you'd like to know more about these laser-generated images and American Bank Note's unique graphic processes and capabilities, contact our Marketing Department. They can help you achieve an amazing image of your own.

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CURRENCY MARKETS

Dollar Plunges to 4-Year Low Against Yen

Compiled by Our Staff From Dispatches

LONDON — The dollar closed almost unchanged in Europe on Monday from its opening and Friday in Tokyo to its lowest level against the Japanese currency in nearly four years.

In Tokyo, the U.S. currency fell to 217.05 yen — its lowest rate since Dec. 4, 1981, when the yen traded briefly at 215.80 — from Friday's close of 222.50. In later trading in London, the dollar fell further, to close at 215.60.

"The rate has fallen to 216 yen to the dollar, but we're still not satisfied with that," said Tetsu Muto, a Bank of Japan spokesman.

Mr. Muto's statements echoed those made earlier in Osaka by the governor of Japan's central bank, Satoshi Sumita. "Neither the United States nor Japan have a fixed idea on how far the dollar should fall," he said. "What we're hoping for is that it'll fall further."

The dollar traded at a record low of about 175 yen in November 1978.

A strong dollar has long been held by Japanese officials, as the primary cause of the huge U.S. trade deficit with Japan, which is expected to reach \$50 billion this year. A weaker dollar makes American exports less expensive.

Neither Japanese official would comment on whether the central bank had intervened in Monday's market, but the Bank of Japan is thought to have sold between \$1.5 billion and \$2 billion since last Tuesday to push the dollar lower.

Against other currencies, meanwhile, the dollar held its own in nervous trading dominated by fears of further central-bank intervention. Against the Swiss franc, dealers said, markets treated the normally bullish news that U.S. leading indicators rose 0.7 percent in August with an excessive degree of caution.

In London, the dollar closed at 2.6790 Deutsche marks, virtually unchanged from its opening and Friday's close of 2.6800. The British pound rose to \$1.4083 from an opening \$1.3965 to end almost unchanged from \$1.4075 on Friday.

In earlier trading in Europe, the dollar was fixed at mid-afternoon in Frankfurt at 2.6699 DM, unchanged, at 8.1325 French francs in Paris, down from 8.1670, and at 3.0165 Dutch guilders in Amsterdam, slightly lower than 3.0175 on Friday. In Zurich, the dollar closed at 2.1935 Swiss francs, virtually unchanged from 2.1965 on Friday.

One London dealer said that surpluses in central bank intervention may have held the dollar down in the face of good U.S. economic news. "It was very well bid and should have gone higher," he said. Others, however, said they detected no activity.

(Reuters, UPI)

Chicago Link To Singapore Works Well

(Continued from Page 9)

and those in Chicago and Philadelphia has thus far been that all traders would be treated equally, and all contracts would be uniform and exchangeable in both markets.

"All well and good," Mr. Bettelheim said. "But under which country's tax and regulatory laws would traders operate? In the United Kingdom, for example, the Inland Revenue has a flat tax of 30 percent on trading, but may also levy much higher taxes on an individual's total income. Your Internal Revenue Service simply levies a maximum futures trading profits tax of 32 percent, but has yet to rule on gains from international transactions."

Another potential problem concerns broker insolvencies and bankruptcies, he continued. As a rule, the clearing units of U.S. futures exchanges, in effect, guarantee the funds of traders, which are by law segregated from the broker's money. This means that customers can get their money without waiting for the end of legal proceedings.

"In the U.K., there is no segregation of customer funds and distribution provision until the bankruptcy or insolvency is cleared up," Mr. Bettelheim said. "There have been cases here where brokers have used customer funds, including trust and discretionary accounts, to try to trade out of their predicament while insolvent or bankrupt."

Another expert, Thomas A. Russo, a partner in the law firm of Cadwalader, Wickersham & Taft, agreed with Mr. Bettelheim's assessment of the potential hurdles to the continued internationalization of the futures markets but added:

"The two biggest hurdles concern national sovereignty and protection against fraud. No nation will readily agree to have its citizens subjected to foreign laws. This applies to criminal acts such as fraud. While the Chicago Merc and Sinex have agreed to a uniform set of rules, this may not be the case with the much older, much larger and more powerful London markets."

Business Review Seeks to Draw More Readers

(Continued from Page 9)

revenues, Review officials added. "I've got a lot of toys in my mind, but this is one of the more tantalizing," said Mr. Levitt.

Mr. Levitt appears intent upon practicing what he preached 25 years ago in a Review article entitled "Marketing Myopia." In that piece, still considered required reading at business schools, Mr. Levitt chastised companies for being product-oriented rather than customer-oriented. Too many companies do not understand what their true business is, he wrote. The railroads, for instance, thought they were in the railroad business, not the transportation business, allowing the auto, trucking and airline industries to take over their customers.

As far as Mr. Levitt is concerned, the Harvard Business Review's true business is educating managers so they can do their jobs better and be more responsible members of society — and not publishing a magazine every two months.

Not that the Review is yet in danger of going the way of the passenger railroads. Paid circulation now stands at 243,000, an all-time high for the 63-year-old publication. And its pages climbed 10.8 percent in the first half of 1985, according to the Publishers Information Bureau Reports.

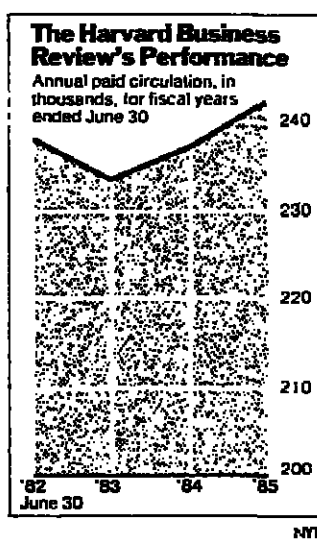
In the fiscal year that ended June 30, the Review's revenues rose nearly 9 percent, to a record \$12.5 million. Subscriptions, at \$35 a year, account for about 60 percent of that sum. Advertising generates about 20 percent. And the rest comes largely from articles recycled in the form of reprints, books and the 11 foreign-language editions that boast a circulation of more than 50,000.

Profits, while not disclosed, are big enough to enable the Review to make a "substantial contribution" to the Harvard Business School, said Kenneth R. Andrews, who headed the magazine for nine years.

Suez Canal to Raise Tolls

Reuters

CAIRO — The Suez Canal Authority announced Monday an average increase in canal tolls of 3.4 percent, starting next Jan. 1.



before stepping down at age 69 at the end of last month.

Many other business schools have striven to copy the Review's success, but none thus far has come close. The University of Pennsylvania finally gave up trying and earlier this year folded its Wharton Magazine.

Another formerly ambitious competitor, the Columbia Journal of World Business, has a circulation of less than 10,000. "The fact most people haven't heard of is an indication it hasn't had the impact we hoped," said John C. Burton, dean of the Columbia Business School.

Just how much impact the Harvard Business Review actually has is still hotly debated among business executives and academicians. Many members of the business-school community criticize the Review for lacking the depth and discipline of academic journals. "Most faculty members at most major schools would not consider it a primary outlet for their research," said Richard R. West, dean of New York University's Graduate School of Business.

Plenty of business people, on the other hand, complain that the Review's articles are still too steeped in academic theory and jargon. "The language used in the publication is very heavy," said Mr. Tobler.

"It is a prestigious magazine business executives like to have in their office, but not many read it," added Lewis H. Young, the former editor in chief of Business Week

who is now president of the Diebold Group, a management consulting firm.

Despite what these critics say, articles in the Review are clearly read and reread — even if it is months or years after they were originally published. Indeed, the Review sells 2.4 million reprints a year.

During his tenure, Mr. Andrews shortened the average length of articles and even hired some journalists as editors in an attempt to make the magazine more readable. He also recruited staff members with stronger academic backgrounds. His goal was to enable the magazine to play a much broader role than just helping managers hone their business skills. He wanted to prod managers to think more about broader topics. The role of business in society and its relationship with government were especially important to him.

While the magazine offers a heavy dose of how-to articles on, say, materials-resource planning and sales management, it also regularly runs articles on such subjects as corporate ethics, small-business issues and women managers. One 1983 piece that drew a lot of mail was entitled "Managers and Lovers."

The Review also has stirred controversy by criticizing American management. In their now famous 1980 article "Managing Our Way to Economic Decline," Robert H. Hayes and William J. Abernathy, two Harvard professors, blamed American manufacturers' problems on their obsession with the economic short-term earnings. A special report that appeared last year attacked business schools for turning out these risk-averse numbers-crunchers.

The economic decline piece may have been the most notable, but other influential articles that appeared during Mr. Andrews' reign include David Garvin's "Quality on the Line," an analysis by the Harvard faculty member of why the quality of many American products is lower than that of the Japanese, and several stories by David W. Ewing, the Review's managing editor, on employee rights within the corporation.

The Review promises to be provocative under Mr. Levitt, too. A renowned marketing sage who

taught at the Harvard Business School since 1959, this German-born son of a shoemaker holds the record for most articles published in the Review: 25. Peter F. Drucker, the management authority, however, is breathing down his neck.

Mr. Levitt happily confesses that he has no qualms about resorting to exaggeration to drive home a point.

That is exactly what he says he did in "The Globalization of Markets," an article that appeared in 1983 and was roundly attacked for being overly simplistic. The multinational corporation that customizes its products for individual countries is dead, he declared. It is now the age of the global corporation that sells standardized products throughout the world. "Gone are accustomed differences in national or regional preference," he insisted.

Does he really think so? Well, maybe not completely, he conceded. Noting that "it's a real rough world out there," Mr. Levitt maintains that taking a provocative stand is perfectly fair in the battle for readership time. "If you were in the steel business, what would you read first, Iron Age or the Harvard Business Review?" he asked. Right now, he obviously expects the answer to be the former. Clearly, he hopes to change that.

Hanna, Grace Split Coal Firms

The Associated Press

CLEVELAND — M.A. Hanna Co. and W.R. Grace & Co. have agreed to end their joint ownership of two coal companies in favor of separate ownership, the companies announced Monday.

The arrangement gives Hanna 100-percent ownership of Terry Eagle Coal Co., Summersville, West Virginia, and gives Grace 100 percent of Rapoca Energy Co., Wise, Virginia. The companies had owned the two coal concerns through a joint venture.

In a separate transaction, Hanna agreed to buy all outstanding debt of Midland SouthWest Corp., an oil and gas drilling concern based in Midland, Texas. Hanna had owned 50 percent of the company.

THE EUROMARKETS

U.S. Report Has Little Impact on Traders

By Christopher Pizzezy

LONDON — The dollar-sterling and floating-rate-note sectors of the Euromarket were quiet Monday, with news of a slightly higher than expected rise of 0.7 percent in the U.S. Index of Leading Economic Indicators having little impact, dealers said.

Only two bonds had been launched by the end of the trading day, the Banque Française du Commerce Exterior came in the European currency unit sector and Enbanc Corp. in sterling.

However, floating-rate-note traders said they are expecting a major U.S. bank to tap the market shortly, possibly with an issue totaling as much as \$500 million.

Dealers and syndicate managers said market talk for the potential spread on such an issue, which they believe could have a 20-year maturity with an investor put option after 15 years, centered around 17/16 point over the three-month London interbank offered rate.

In the secondary floating-rate-note market, prices tended to drift back a little, with seasoned issues generally showing losses of 2 to 4 basis points. The \$2.5-billion float for Britain was off about 5 basis points at 99.87. Dealers added, however, that the market remained thin and dominated by professionals.

The 150-million-ECU bond for BFCE carries a government guarantee and pays 8 1/2 percent a year over eight years. The par-priced issue was quoted on the market at a discount of 1/4, inside the total fees of 1 1/2 percent. The lead manager was Banque Nationale de Paris.

Seasoned dollar-sterling issues were mainly around 1/4 point easier by the close, having shown little change in the morning session, dealers said. They added that sentiment was a little depressed by the indicator report but there was hardly any actual selling during the day. As in the floating-rate sector, trading remained dominated by professionals.

The Japanese convertible sector had another active day after the Tokyo Stock Market rose sharply during Saturday's and Monday's sessions, dealers said.

Selected issues moved sharply higher, with the 4 1/2 percent bond due 1999 for Mitsubishi Heavy Industries Ltd. again a strong performer, jumping well over 10 points, to end at around 205 1/4.

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York Time

Via The Associated Press

12 Month High Low 3 P.M. Close

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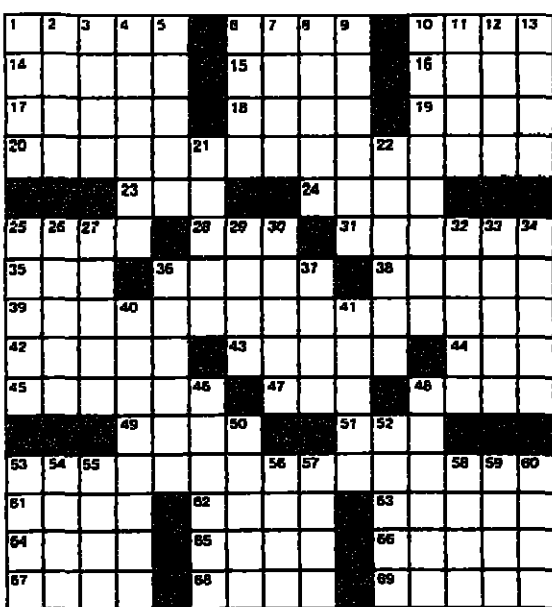
12 Month High Low 3 P.M. Close

12 Month High Low 3 P.M. Close

12 Month High Low 3 P.M. Close

12 Month High Low 3 P.M. Close

12 Month High Low 3 P.M. Close



ACROSS

1 "You're a better man" — Kipling
6 Express weariness — summed
10 Dismissal — Gossip's fodder
15 On the Mediterranean
16 Was contrite
17 "But war's" — Cowper
18 Mozart's Vienna
19 Kirghiz range
20 Ben Kingsley role
23 Venus, to Virgil
24 Mine and Bando
25 Track circuits
26 Part of a ballroom dance
31 Ceremonial act
35 Word with bred or will
36 A captain and a king
38 Tuned drum
39 E. M. Forster novel
42 Vitalize a fresh
44 Claus aide
45 Blows z's
47 Vichy is one
48 "— bent!"

DOWN

1 Streetcar in London
2 A sci-fi writer's award
3 Oriental nurse
4 Desert rovers
5 Reynolds
6 Broadway role
7 "I never" — Moore
8 Dickinson
9 Goddess of fertility
10 Presidential hopeful in 1984
11 "— Lane
12 Jacob's first wife
13 Year of Columbus's fourth voyage
21 Gorbachev's villa
22 Excuses at court
23 Perjurors
26 Horn or stock predecessor
27 City in Tex. or Ill.
29 Witchies
30 Incites
32 Prefix with line or mine
33 Nimble
34 Lazes
36 Too
37 Yugoslav tobacco-shipping town
40 "How sharper than a tooth" —
41 Emulate
42 Demosthenes
46 Trains
48 French Revolution aftermath
50 Delusion's partner
52 Shotgun spoiler
53 Leave a lover
54 River or canal
55 Anagram for anew
56 Stumble
57 Army
58 Thor's sire
59 Sly trick
60 Lich

© New York Times, edited by Eugene Malachuk.

DENNIS THE MENACE



"IS HE GONNA GIVE HIM SOMETHING FOR HIS GROUCH?"

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BATO B

PYXOR

FLUNIX

MADAKS

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: JUST

(Answers tomorrow)

Yesterday's Jumbles: CRANK SHYLY HOOKED ACCESS

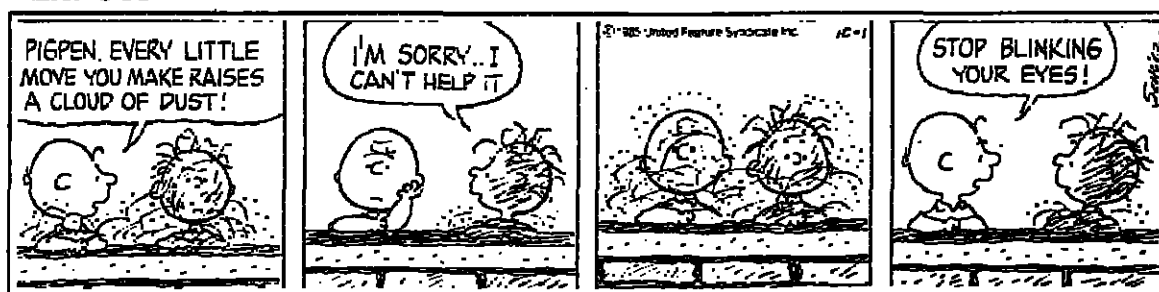
Answer: Before they'll cash your check, they'll probably do this—CHECK YOUR CASH!

WEATHER

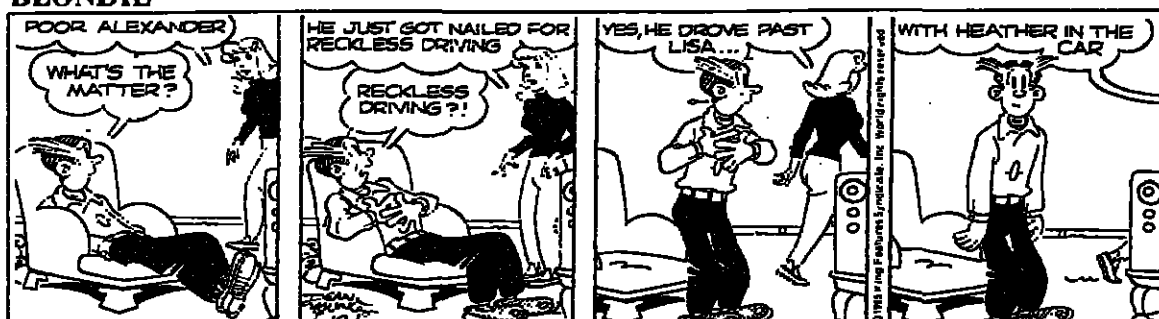
EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Aberdeen	54	42	Beijing	54	42
Amsterdam	54	42	Bombay	54	42
Antwerp	54	42	Hong Kong	54	42
Birmingham	54	42	Manila	54	42
Boston	54	42	New Delhi	54	42
Brexit	54	42	Shanghai	54	42
Buenos Aires	54	42	Singapore	54	42
Calcutta	54	42	Tokyo	54	42
Cardiff	54	42			
Chicago	54	42			
Copenhagen	54	42			
Dallas	54	42			
Denver	54	42			
Detroit	54	42			
Edinburgh	54	42			
Frankfurt	54	42			
Geneva	54	42			
Helsinki	54	42			
London	54	42			
Los Angeles	54	42			
Moscow	54	42			
Munich	54	42			
Nairobi	54	42			
Oslo	54	42			
Paris	54	42			
Prague	54	42			
Reykjavik	54	42			
Rome	54	42			
Stockholm	54	42			
Stuttgart	54	42			
Toronto	54	42			
Vancouver	54	42			
Vienna	54	42			
Washington	54	42			
Wellington	54	42			
Yokohama	54	42			

TUESDAY'S FORECAST: CHICAGO: Mostly cloudy. High: 54, Low: 42. WIND: 10-15 mph. SEAS: 1-2 ft. LAKE: 1-2 ft. WAVE: 1-2 ft. WIND: 10-15 mph. SEAS: 1-2 ft. LAKE: 1-2 ft. WAVE: 1-2 ft.

PEANUTS



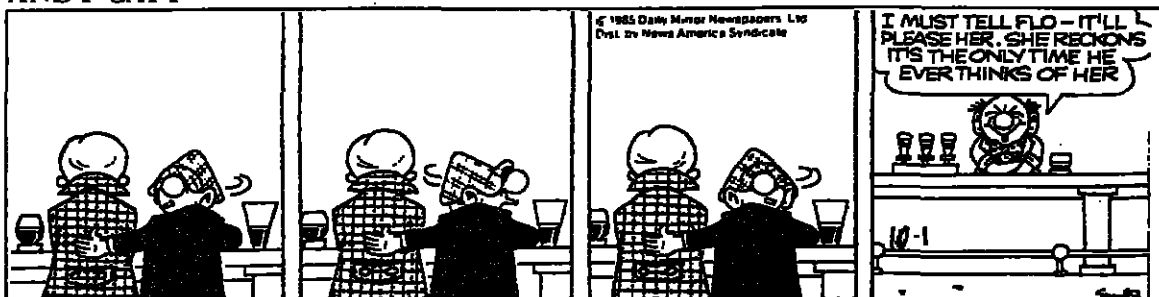
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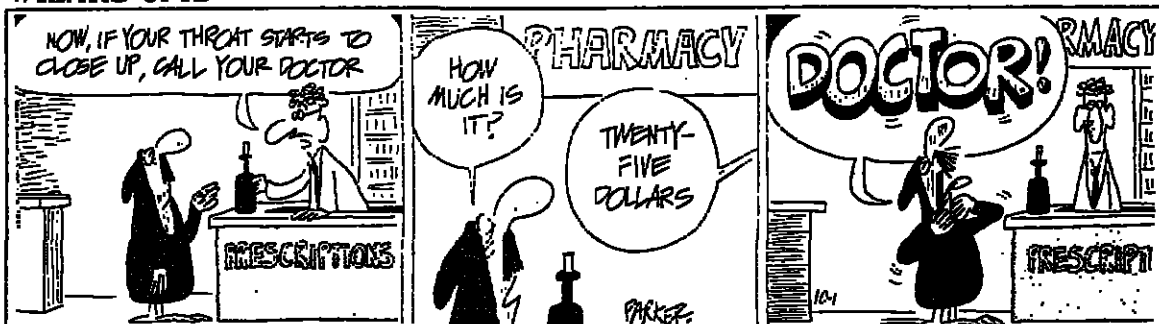
BEETLE BAILEY



ANDY CAPP



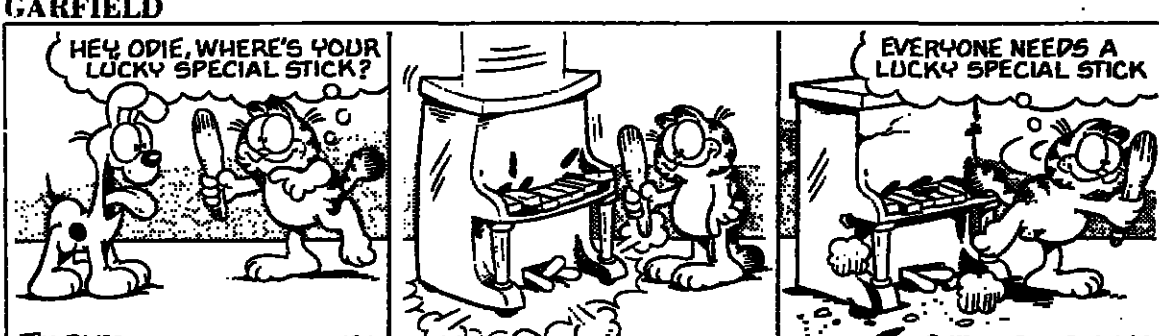
WIZARD OF ID



REX MORGAN



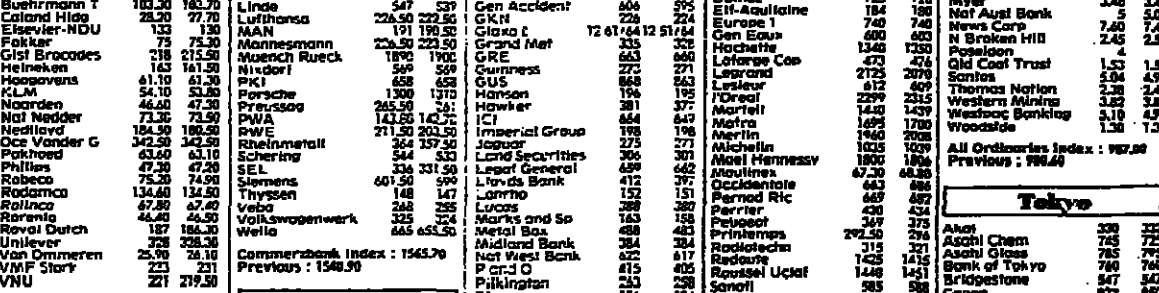
GARFIELD



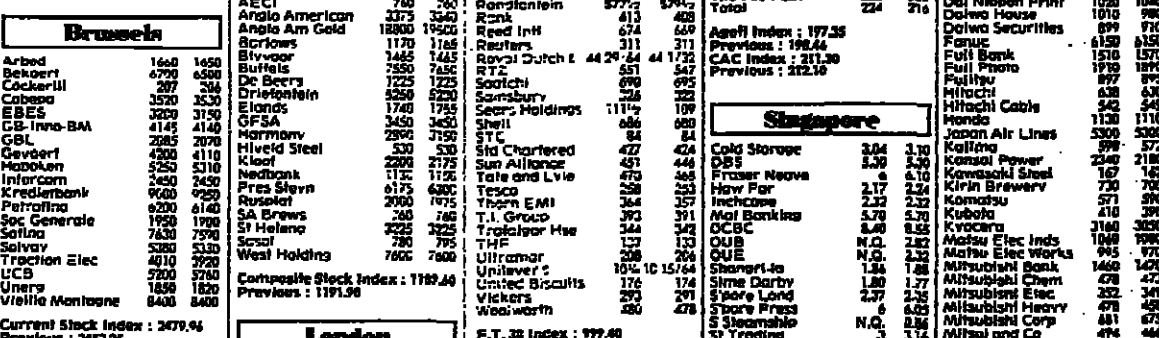
JIM DAVIS



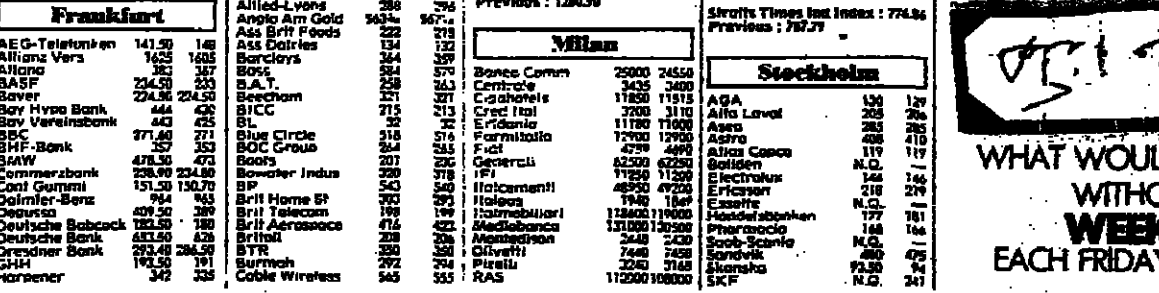
JIM DAVIS



JIM DAVIS



JIM DAVIS



JIM DAVIS



BOOKS

CAPA

By Richard Whelan. 342 pages. \$19.95.

ROBERT CAPA PHOTOGRAPHS

Edited by Cornell Capa and Richard Whelan. 242 pages. \$35.

Alfred A. Knopf, 201 East 40th Street, New York, N.Y. 10022.

By Herbert Mitgang

EVERYTHING about Robert Capa was larger than life, including his death. After he had covered the Spanish Civil War, the Japanese invasion of China, World War II, the 1948 Israeli-Arab war and the French war in Indochina, his luck ran out when he stepped on a mine near Hanoi while shooting the dying French campaign in 1954. Of course, pictures were found inside his camera; he had captured the scene on the battlefield in the last moments of his life. Friends who mourned him as well as strangers around the world remembered his most famous picture — the falling Loyalist soldier in Spain, his rifle flying out of his hand at the instant the bullet struck. Capa had followed his advice to other photographers

Solution to Previous Puzzle

GALA MOTIF MESA
ARAB OPERA EVEN
SILO RANON TEND
LAURELANDHARDY
TAN AIL
HEH CORA NELSON
IRADE ARAG ONCE
DAVIDANDGOLIATH
ETON DIOR EDGER
ROCCO RIGGS STU
COR OAR
ROMEOANDJULIET
APER BARED CREW
GENA LIANA EIRE
ENDS ESTES REND

only too well: "If your pictures aren't good enough, you're not close enough."

Richard Whelan's biography is first-rate in every way, right down to the valuable list of Capa's published photo-stories — from his earliest pictures of Leon Trotsky in 1932 to his last in the Red River Delta in 1954 for Life and Time magazines. Biographies of photographers, witnesses to the lives of others, are not usually exciting; one exception is Carl Sandburg's of his brother-in-law, Edward Steichen. But in Whelan, who writes on art and photography, Capa has a wise and accurate chronicler. As everybody who knew and admired Capa can testify — from North Africa and Sicily to the watering holes of London and Paris — he could be an inventive storyteller, particularly when describing his adventures. Whelan delivers the wonderful stories; most turn out to be true.

To the men and women whose lives he crossed, Capa was a charismatic personality. Whelan recounts his love affair with, among others, Ingrid Bergman; their trysts began in postwar Berlin and continued in Irwin Shaw's beach house in Malibu, California. The full story of his life is here, from his birth in Budapest as Endre Friedmann in 1913 — he adopted the name Robert Capa when his credits began to appear — to his sympathies for the Loyalists and anti-Fascists anywhere, to his friendship with Ernest Hemingway, John Steinbeck, and other writers. John Hersey described Capa as "the man who invented himself."

His truth lies on black and white. A companion volume of 260 pictures, "Robert Capa Photographs," edited by Whelan and Cornell Capa, the photographer's brother, shows what a stunning contribution Capa made to photojournalism in this war-torn century. Looking at the pictures, it becomes apparent that Capa always saw the human story behind the event. The faces of soldiers, widows, collaborators and prisoners dominate the front-line action. His was not impersonal newsreel-style photography; it was the horrible image of war itself.

Herbert Mitgang is on the staff of The New York Times.

CHESS

By Robert Byrne

ALEXANDER Fishbein, a 17-year-old national master from Casper, Wyoming, scored 5½-1½ to win the first Arnold Dekker Tournament of State High School Champions.

Fishbein demonstrated his skill in a sharp, hard-fought battle with Adam Lief of Los Alamitos, Calif.

The advance variation of the French Defense, 3 P-K5, which Aron Nimzovich popularized around the turn of the century, is currently having a resurgence. It avoids the doubled pawns of the Winawer variation, 3 N-QB3, B-N5; 4 P-K5, P-QB4; 5 P-QR3, BxNch; 6 PxB, and it is not as fussy as positional as the Tarrasch, 3 N-Q2, P-QB4. The tactical opinion that White should have trouble maintaining his advanced center has lately come into question.

The center strategy Fishbein used was to rid himself of his QP with 6 PxB so he would not be tied down to defense, while he would rely exclusively on his KP to keep the black position cramped.

On 7 B-KB4, it was not possible to counterattack with 7... P-B3, since 8 P-QN4, PxB; 9 NxB1, NxB1; 10 Q-R5ch is powerful for White.

The fact that, after 9 QK2, White had not castled gave Lief problems in finding a safe spot for his king. The trouble with 9... N-N3; 10 B-N3, 0-0 would have been that it gave White a

ready-made attack just raring to go with 11 P-KR4! Lief's 9... P-B4 was reasonable, although Black could never hope for a later attack on the opposing center with... P-B3.

Perhaps, after 10 P-KR4, Black should have castled kingside — at any rate, after his 10... 0-0-0, it was easier for Fishbein to switch to queenside than Lief may have judged. Or had Lief looked forward to the 13... P-N4? and gambled that his counterattack on the

white king would come more quickly than his opponent's on the other wing?

It is not clear what the outcome of the fascinating monomaniacal 18... P-NP7 would have been. But it was probably that must have afflicted Fishbein, not adequate, for example: 19 B-N3, 0-0-0, since he failed to cap PxB, Q-R2; 20 KR-B1ch, B-B3 lure with 34 QxR. Of course, (or 20... Q-K2; 21 PxB, K-B2; 22 BxP, P-N5; 22 PxB, after 34 N-Qch, KxN; 35 PxB, KxP; 36 Q-R1, PxB; 37 QxP, 36P-N6!

KxBch! KxR; 25 Q-N2ch, K-B2; 26 R-B7ch, QxR; 27 N-N5ch, K-N2; 28 NxBch, KxN; 29 P-Qch!

Lief tried to keep his king position closed with 18... P-Q5, but Fishbein's line-opening return of a pawn with 19 P-B5! squashed the plan.

With the repositioning 23 N-N5 and 24 N-KR3, Fishbein blocked the KR file, the major source of danger for the white king. Now Lief should have displayed the same caution by playing 24... N-Q2. Instead, his attempt to attack with 24... N-N3; 10 B-N3, 0-0 would have been that it gave White a

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ready-made attack just raring to go with 11 P-KR4! Lief's 9... P-B4 was reasonable, although Black could never hope for a later attack on the opposing center with... P-B3.

Perhaps, after 10 P-KR4, Black should have castled kingside — at any rate, after his 10... 0-0-0, it was easier for Fishbein to switch to queenside than Lief may have judged. Or had Lief looked forward to the 13... P-N4? and gambled that his counterattack on the

white king would come more quickly than his opponent's on the other wing?

It is not clear what the outcome of the fascinating monomaniacal 18... P-NP7 would have been. But it was probably that must have afflicted Fishbein, not adequate, for example: 19 B-N3, 0-0-0, since he failed to cap PxB, Q-R2; 20 KR-B1ch, B-B3 lure with 34 QxR. Of course, (or 20... Q-K2; 21 PxB, K-B2; 22 BxP, P-N5; 22 PxB, after 34 N-Qch, KxN; 35 PxB, KxP; 36 Q-R1, PxB; 37 QxP, 36P-N6!

KxBch! KxR; 25 Q-N2ch, K-B2; 26 R-B7ch, QxR; 27 N-N5ch, K-N2; 28 NxBch, KxN; 29 P-Qch!

Lief tried to keep his king position closed with 18... P-Q5, but Fishbein's line-opening return of a pawn with 19 P-B5! squashed the plan.

With the repositioning 23 N-N5 and 24 N-KR3, Fishbein blocked the KR file, the major source of danger for the white king. Now Lief should have displayed the same caution by playing 24... N-Q2. Instead, his attempt to attack with 24... N-N3; 10 B-N3, 0-0 would have been that it gave White a

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POSTCARD

A Teaspoonful of Maine

By Donald M. Kreis
The Associated Press

WEST PARIS, Maine — Joe Perham looks down the hill from his home and sees fertile ground: a valley full of forest and farmland, a village with a clove-pin factory and the home of his neighbor, Ole.

Ole (rhymes with holy), the farmer next door, is the inspiration for many of the Maine tales spun by Perham, 52, a retired high school teacher.

One of these stories concerns the fellow who learns that the farm he has lived on all his life is actually in New Hampshire and not Maine. The farmer is elated. "I never could have stood another one of them Maine winters," he says.

That's a textbook example of Maine humor, Perham says. So is the one about the fellow who set off one winter's day in his snowshoes, and comes upon a hat moving through the snowdrifts. Under the hat the man finds his neighbor, so the concerned citizen asks if he can be of any assistance.

"No," comes the reply. "I still got my horse under me."

Stories such as that — delivered in the Yankee drawl that New Englanders call the Down East accent — provide more than just a livelihood for Perham and other storytellers. Along with lobsters, L.L. Bean and moose hunting, such humor is part of the Maine mystique.

"It takes more than a teaspoonful of brains to understand it," said Kendall Morse, 50, a retired boat captain who has also carved out a niche as a Maine storyteller. That saying, he added, was borrowed from the late Marshall Dodge, the dean of Maine storytellers.

Dodge's "Bert and T" albums started a small but persistent storytelling industry. Perham's "That Wonderful Old Two-Holer" reached the 4,000 mark in sales. It may not be a gold record, but it takes up a favorite topic from the golden days of yesteryear: the outdoors.

"Maine humor tends to mildly satirize what society says is proper," said Perham. Which explains why a lot of the people described in the record seem to end up viewing the "two-holer" from the bottom looking up.

Does this Down East view of the universe play in Pootie? "I've been to Detroit and Val, Colorado," re-

ports Perham. "I lay a little Maine humor on them. It always works."

Another storyteller, John McDonald, talks about Tukey Merrill, a "world-class direction-giver." One day, Tukey gives a few motorists from Massachusetts directions to Bangor, which happens to be the nearest city. Some time later, they pull right back up to the porch of Tukey's house. It seems he has directed them in a circle.

The woman in the passenger's seat gives Tukey a tongue-lashing, but he just puffs thoughtfully on his pipe.

"Listen dear," he replies calmly. "I just wanted to make sure that you could follow directions before I wasted my time directing you all the way to Bangor."

Sandy Lewis, a folklorist at the University of Maine, thinks tourists and summer people are more than just the butt of Maine humor. He believes they are the reason it exists. Noting that many Maine storytellers, including Marshall Dodge, did not grow up in the state, Lewis maintains it was Maine's summer visitors who sparked the phenomenon by noticing that the locals seemed, well, different.

"The people who come here have certain expectations," says Lewis. "The Maine that you and I run into every day, but it's an imaginary, mythical sort of world that's very real to Mainers and non-Mainers alike."

Tim Sample, 34, is perhaps the best-known Maine humorist. Sample prides himself on adapting traditional Maine storytelling to the more mainstream forms of comedy — hence the title of his popular album, "Downeast Standup."

He tells people that his wife sells cosmetics, including a lipstick that "exactly the same color as this safety orange that the hunters wear."

"Well," he continues, "I personally feel safer riding in the car with Mother at night when she's wearing that lipstick. I figure if I had a flat or something, you know, all she'd have to do is just stand out on the soft shoulder and just kind of pucker."

Art Buchwald is on a leave of absence. His column will be resumed shortly.

Martin Scorsese's Place on the Periphery

By Esther B. Fein
New York Times Service

NEW YORK — Walking around the Tribeca neighborhood in Manhattan, where he lives, Martin Scorsese looks a little out of place.

His gray-threaded hair is graying. The woman passing him has spiked pink locks. His jeans are pressed. The man walking by is wearing a skirt. His jacket is a serene tweed. The man (or is it a woman?) cycling down the street is swathed in Day-Glo.

It is easy to imagine how peculiar Scorsese must have looked directing his most recent movie, "After Hours," which was filmed in this area and recounts the story of Paul Hackett, a beige-suited computer programmer, who in a one-night, downtown odyssey encounters a maniac with a Mohawk, a sadomasochistic sculptor, a neo-60s waitress with a beehive hairdo and a vigilante whose weapon is a Mister Softie ice-cream truck.

With his Little Italy accent and sensitivity, Scorsese, 42, is a detached observer of this environment, an alien with temporary citizenship, an observer at a kind of United Nations of the street.

"I've let a few people take me around, to get a sense of what's going on down here," said Scorsese, who has lived in the neighborhood for about 10 years. "But basically, I understand Paul's point of view. He's not familiar with it. He doesn't belong. That's a feeling I can identify with."

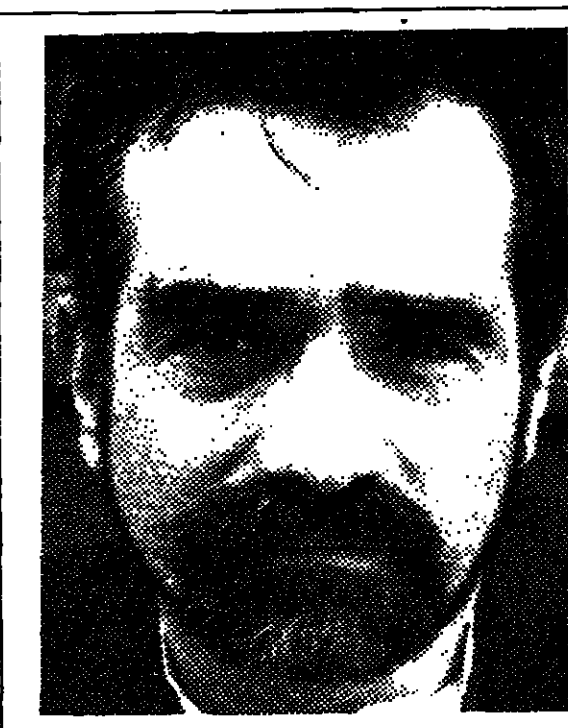
"Marty was always the quiet type because of the asthma and the breathing problems," recalled his mother, Catherine. "You know, he was excused from playing ball, so he just watched the others."

"Thank God now," said his father, Charlie. "I think he passed that stage."

Scorsese may no longer be the wheezing youngster, but creatively he has retained his position on the periphery. From his first feature film, "Who's That Knocking at My Door?" Scorsese has been an observer of life on the margin, and the movies he has directed since then — "Mean Streets," "Alice Doesn't Live Here Anymore," "Taxi Driver," "New York, New York," "Raging Bull," "King of Comedy," and now "After Hours" — have studied that idea from different angles, and through different lenses, ensconcing him in the role of the outsider.

"Who's That Knocking?" is the story of a young Catholic man who is sexually obsessed, yet who is not, and as such remains apart from both the world of promiscuity and religiosity. In "Mean Streets," a hoodlum-in-training never really seems to reach himself to the gangster world of Little Italy that he is trying to penetrate. Rupert Pupkin in "King of Comedy" is so desperate for celebrity, he kidnaps a talk show host and for ransom demands that he appear on the show. And Paul in "After Hours" heads down to SoHo for what he hopes will be a romance with a stranger, only to find himself in a nightmare where being a regular kind of guy is an anomaly.

"To me, Bohemians are people in black-and-white movies, wear-



Director Scorsese: No "Temptation."

ing black turtlesnecks," he says. Scorsese said he came to identify closely with the "NYU Film School" method of filmmaking, which he described as "the gritty sense of having made a movie by hand. In California, the very fact that the center of the industry is there, the material and the tools are there. It's still hard to get a picture made on either coast, but there's a certain level of technical excellence on the West Coast that we don't think is very important out here. We think out here, on the East Coast, that it's content."

All of Scorsese's movies, except "Alice Doesn't Live Here Anymore," have used New York City for their backdrop and in some, like "Mean Streets" and "Taxi Driver," the streets themselves became characters in the plot. His most recent project before "After Hours" however, would have taken Scorsese not only out of New York but out of the country. "The Last Temptation of Christ," which Scorsese had worked on

for about a year and a half, is a movie about Jesus based on a novel, and was to have been shot on location in Israel.

But the project was canceled by Paramount a few months before shooting was scheduled to begin, after the studio and its parent company, Gulf and Western, were deluged with mail protesting the making of the movie. In fighting rumors that the film would portray Jesus as a homosexual and predictions that it would be economically disastrous, Scorsese said he felt himself thrust again into the role of the outsider.

"There were all these people talking about something they'd never even read, saying things which weren't even true and no one would listen to me," he said.

Although Scorsese seems to revel in alienation, there is one movie in his repertoire that portrays a world Scorsese is not only apart from, he is clearly a part of.

"Italianamerican," which was presented at the New York Film Festival in 1974, is a cinematic tribute to Scorsese's parents and grandparents and their lives in the enclave of lower Manhattan which, because of people like the Scorseses, came to be known as Little Italy. It is a loving, 50-minute documentary, starring Catherine and Charlie Scorsese, set in their apartment (plastic-covered couches and all), and featuring a demonstration of how to cook meatballs and spaghetti sauce, which thoughtfully includes the recipe.

In the movie, as in real life, Catherine Scorsese and her husband, among other things, about their marriage, life in the tenements on Elizabeth Street and the honeymoon they took 39 years after they were married. They speak in tandem, one picking up a sentence where the other leaves off, two people conducting one conversation.

"You should see what didn't get in," recalled Catherine. "All these stories," said Charlie.

"Marty would ask questions about stories we told him when he was a little boy," said Katie. "What a memory that boy has!" said Charlie.

"It's my favorite movie," said Martin.

PEOPLE

More Treasure in Florida

A woman who climbed beneath Garrison Bight bridge in Key West, Florida, found a hidden envelope that earned her \$50,000 in gold and a \$10,000 emerald. The find ended a treasure hunt staged by Mel Fisher, the ocean salvor who in July found millions of dollars worth of gold and silver from the Spanish galleon Nuestra Señora de Atocha after a 16-year hunt. For seven days, hundreds of people combed Key West's streets, beaches and alleyways for clues that would lead to the solid gold bar from the Atocha and the emerald donated by a local jeweler, Deborah Benedict, of Key West, had to follow a trail of clues that took her all over the island and use a "Captain's Log" to interpret the clues, said Blith McHale, a spokeswoman for Fisher's company, Treasure Salvors. "This was intuition, this was special," Benedict said. "It was just perseverance. It was nerve-wracking and it was fun."

The pianist Vladimir Horowitz will play at La Scala in Milan on Nov. 17 and Nov. 24, his first appearances there in 50 years, according to opera house officials. Horowitz, born in Kiev, Russia, in 1904, made his American debut with the New York Philharmonic in 1928 and settled in the United States. Since 1953, he has given recitals only infrequently. The concerts will include works by Schumann, Schubert, Liszt and Chopin.

Max Schmeling, the former heavyweight boxing champion, turned 80 Saturday. "I never wanted to be the great Max," said the man who was hailed as the "boxing sensation of the century" when he knocked out the previously unbeaten Joe Louis in 1936. Louis knocked Schmeling in only 12 seconds in a 1938 rematch. "I often think about my past, but I'm much more interested in the present and future," said Schmeling, who was born in 1905 in what was then the German province of Pomerania. He described himself as an optimist and said "I want to live to be 99."

The inventor of the Rubik's Cube will not display his newest game at an international fair be-

cause he could not get patent rights in time, a Hungarian newspaper reported. Erno Rubik, a Hungarian scientist and now a millionaire, had been expected to unveil his new game — in which children put together different parts of children's furniture in the form of a game — at the Budapest International Fair Saturday.

The image of Abraham Lincoln as a homespun country lawyer was definitively smashed when two anthropologists found fine English china among his garbage, Charles Markman, a Northern Illinois University anthropology professor, and Floyd Manberg were hired by the National Park Service to analyze the construction of the two-story Springfield home, where Lincoln lived as a lawyer beginning his political career. After removing the floorboards of the back porch, they found a well filled with garbage, including chicken bones, eggshells, pottery and glassware. The two believe the litter found under the porch was built after 1844, when the Lincoln moved in, and long after the previous owners had moved out.

Marc-André Hamelin, 29, of Montreal, on Sunday won the 1985 Carnegie Hall International American Music Competition, in which 177 contestants from 13 countries vied for prizes. Preliminary rounds were held in June in San Francisco, Chicago, New York, Boston and London. The first prize includes cash awards of \$15,000, \$35,000 in funds for career promotion, with a premiere performance of a newly commissioned work and other rights and orchestral bookings, and \$25,000 recording contract.

Placido Domingo, still search for relatives missing in Mexico City's devastating earthquake, cancelled his four remaining performances in "Olelli" with the Lyric Opera of Chicago. Domingo appeared Sept. 21 in the season premier of the opera "Olelli," then left immediately for Mexico. The tenor William Jinks substituted for him in the remaining performances.

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